

**City
of
San Rafael**
San Rafael, California

*General Purpose Financial Statements
and Independent Auditors' Report*

For the year ended June 30, 2001

CCL
Caporicci, Cropper & Larson, LLP
Certified Public Accountants

City of San Rafael
General Purpose Financial Statements
For the year ended June 30, 2001

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For the year ended June 30, 2001

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of San Rafael
San Rafael, California

We have audited the accompanying general purpose financial statements of the City of San Rafael, California (City) as of and for the year ended June 30, 2001, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the San Rafael Sanitation District (District), which is presented as a discrete component unit in the accompanying financial statements. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the District in the accompanying general purpose financial statements, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the general purpose financial statements, the City changed in 2001 its method of accounting and financial reporting for non-exchange transactions to conform to Governmental Accounting Standards Board Statement No. 33.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

To the Honorable Mayor and Members of the City Council
of the City of San Rafael
San Rafael, California
Page Two

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining, individual fund and account group financial statements and schedules listed as supplemental information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. This information is the responsibility of the City's management. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Reparicci, Cropper & Larson, LLP

Oakland, California
December 7, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

City of San Rafael

Combined Balance Sheet

All Fund Types, Account Groups and Discretely Presented Component Unit

June 30, 2001

(With comparative totals for June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments (Note 2)	\$ 5,413,876	\$ 18,843,701	\$ 2,061,238	\$ 26,560,313
Receivables (Note 3)	5,723,556	955,656	-	2,179,395
Due from other funds (Note 5)	83,403	35,000	-	952,666
Due from other governments	-	-	-	-
Prepaid expenses	-	-	-	-
Other current assets	-	-	-	-
General fixed assets (Note 6)	-	-	-	-
Component unit fixed assets, net (Note 6)	-	-	-	-
COP issuance costs, net	-	-	-	-
Total assets	11,220,835	19,834,357	2,061,238	29,692,374
Other Debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total other debits	-	-	-	-
Total assets and other debits	\$ 11,220,835	\$ 19,834,357	\$ 2,061,238	\$ 29,692,374
LIABILITIES, FUND EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 1,007,453	\$ 1,398,499	\$ -	\$ 734,154
Connection fees payable	-	-	-	-
Developer deposits payable	46,899	1,500	-	25,000
Arbitrage payable	-	-	-	338,867
Insurance claims payable (Note 17)	-	-	-	-
Interest payable	-	-	-	-
Due to other funds (Note 5)	-	1,011,138	-	59,931
Deferred revenue (Note 4)	-	157,330	-	40,000
Capital lease obligations (Note 7)	-	-	-	-
Compensated absences (Note 7)	-	-	-	-
Certificates of participation (Note 7)	-	-	-	-
Notes payable (Note 7)	-	-	-	-
Special assessment debt (Note 7)	-	-	-	-
Bonds payable (Note 7)	-	-	-	-
Total liabilities	1,054,352	2,568,467	-	1,197,952
Fund Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital (Note 12)	-	-	-	-
Retained earnings	-	-	-	-
Fund balances (Note 10):				
Reserved	4,010,745	3,404,649	2,061,238	28,494,422
Unreserved:				
Designated	3,757,328	13,190,344	-	-
Undesignated	2,398,410	670,897	-	-
Total fund equity and other credits	10,166,483	17,265,890	2,061,238	28,494,422
Total liabilities, fund equity, and other credits	\$ 11,220,835	\$ 19,834,357	\$ 2,061,238	\$ 29,692,374

See accompanying notes to general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit San Rafael Sanitation District	Totals (Memorandum Only)	
		General Fixed Assets	General Long- Term Debt			2001	2000
\$ 7,412,748	\$ 469,546	\$ -	\$ -	\$ 60,761,422	\$ 5,001,698	\$ 65,763,120	\$ 60,511,027
-	-	-	-	8,858,607	8,824	8,867,431	7,262,779
-	-	-	-	1,071,069	-	1,071,069	400,085
-	-	-	-	-	51,122	51,122	33,103
-	-	-	-	-	15,481	15,481	23,812
-	-	-	-	-	34,400	34,400	27,396
-	-	38,973,530	-	38,973,530	-	38,973,530	38,011,483
-	-	-	-	-	22,644,006	22,644,006	22,279,917
-	-	-	-	-	83,824	83,824	44,764
7,412,748	469,546	38,973,530	-	109,664,628	27,839,355	137,503,983	128,594,366
-	-	-	2,061,238	2,061,238	-	2,061,238	2,054,908
-	-	-	52,076,631	52,076,631	-	52,076,631	53,343,536
-	-	-	54,137,869	54,137,869	-	54,137,869	55,398,444
\$ 7,412,748	\$ 469,546	\$ 38,973,530	\$ 54,137,869	\$ 163,802,497	\$ 27,839,355	\$ 191,641,852	\$ 183,992,810
\$ 75,839	\$ 4,593	\$ -	\$ -	\$ 3,220,538	\$ 547,224	\$ 3,767,762	\$ 2,168,677
-	-	-	-	-	163,812	163,812	125,750
-	-	-	-	73,399	-	73,399	50,000
2,754,026	-	-	-	338,867	-	338,867	-
-	-	-	-	2,754,026	-	2,754,026	2,398,463
-	-	-	-	-	30,012	30,012	109,315
-	-	-	-	1,071,069	-	1,071,069	400,085
-	-	-	-	197,330	-	197,330	95,240
-	-	-	420,500	420,500	-	420,500	52,309
-	-	-	3,889,365	3,889,365	-	3,889,365	3,698,131
-	-	-	-	-	4,427,987	4,427,987	3,856,706
-	-	-	169,000	169,000	-	169,000	2,669,000
-	-	-	1,055,000	1,055,000	-	1,055,000	1,265,000
-	-	-	48,604,004	48,604,004	-	48,604,004	50,214,004
2,829,865	4,593	-	54,137,869	61,793,098	5,169,035	66,962,133	67,102,680
-	-	38,973,530	-	38,973,530	-	38,973,530	38,011,483
-	-	-	-	-	7,377,012	7,377,012	7,461,602
4,582,883	-	-	-	4,582,883	15,293,308	19,876,191	16,985,029
-	3,000	-	-	37,974,054	-	37,974,054	38,733,597
-	461,953	-	-	17,409,625	-	17,409,625	10,777,534
-	-	-	-	3,069,307	-	3,069,307	4,920,885
4,582,883	464,953	38,973,530	-	102,009,399	22,670,320	124,679,719	116,890,130
\$ 7,412,748	\$ 469,546	\$ 38,973,530	\$ 54,137,869	\$ 163,802,497	\$ 27,839,355	\$ 191,641,852	\$ 183,992,810

City of San Rafael

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Fund Types and Expendable Trust Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes and special assessments	\$ 32,270,051	\$ 2,024,746	\$ 4,489,349	\$ 969,583
Licenses and permits	722,082	122,711	-	-
Fines and forfeitures	1,310,708	26,909	-	-
Uses of money and property	740,760	1,446,214	56,864	1,720,443
Intergovernmental	5,105,977	3,038,183	-	1,043,988
Charges for current services	908,654	10,985,260	-	125,893
Other revenues	90,043	-	-	4,576,643
Total revenues	41,148,275	17,644,023	4,546,213	8,436,550
EXPENDITURES:				
Current:				
General government	5,402,171	281,197	-	-
Public safety	19,889,700	4,548,000	-	-
Public works and parks	4,788,883	3,736,052	-	144,820
Community development/redevelopment	1,816,471	169,041	-	1,468,722
Culture and recreation	1,496,042	4,875,490	-	-
Capital outlay	90,029	2,813,240	-	20,400
Capital improvement/special projects	378,772	3,749,525	-	6,807,408
Debt service:				
Principal retirement	-	-	1,786,000	-
Interest and fiscal charges	-	-	2,746,333	-
Total expenditures	33,862,068	20,172,545	4,532,333	8,441,350
REVENUES OVER (UNDER) EXPENDITURES	7,286,207	(2,528,522)	13,880	(4,800)
OTHER FINANCING SOURCES (USES):				
Operating transfers in (Note 5)	1,413,998	4,185,780	-	1,470,456
Operating transfers out (Note 5)	(5,745,732)	(898,596)	(7,550)	(1,178,356)
Total other financing sources (uses)	(4,331,734)	3,287,184	(7,550)	292,100
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,954,473	758,662	6,330	287,300
FUND BALANCES:				
Beginning of year	7,212,010	16,507,228	2,054,908	28,207,122
End of year	\$ 10,166,483	\$ 17,265,890	\$ 2,061,238	\$ 28,494,422

See accompanying notes to general purpose financial statements.

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	2001	2000
\$ -	\$ 39,753,729	\$ 36,267,264
-	844,793	846,005
-	1,337,617	1,466,685
25,612	3,989,893	2,616,579
35,000	9,223,148	9,061,449
-	12,019,807	10,590,021
17,761	4,684,447	7,014,228
<u>78,373</u>	<u>71,853,434</u>	<u>67,862,231</u>
53,975	5,737,343	5,725,859
-	24,437,700	23,756,604
-	8,669,755	7,607,760
-	3,454,234	2,914,886
10,193	6,381,725	6,217,506
-	2,923,669	486,424
-	10,935,705	19,479,314
-	1,786,000	1,875,000
-	2,746,333	2,700,668
<u>64,168</u>	<u>67,072,464</u>	<u>70,764,021</u>
<u>14,205</u>	<u>4,780,970</u>	<u>(2,901,790)</u>
-	7,070,234	7,846,585
-	(7,830,234)	(8,333,854)
-	(760,000)	(487,269)
14,205	4,020,970	(3,389,059)
<u>450,748</u>	<u>54,432,016</u>	<u>57,821,075</u>
<u>\$ 464,953</u>	<u>\$ 58,452,986</u>	<u>\$ 54,432,016</u>

City of San Rafael

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund, Special Revenue Funds, Debt Service Funds with Budgets, and Expendable Trust Funds with Budgets

For the year ended June 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ 31,524,020	\$ 32,270,051	\$ 746,031	\$ 2,033,629	\$ 2,024,746	\$ (8,883)
Licenses and permits	628,440	722,082	93,642	126,000	122,711	(3,289)
Fines and forfeitures	1,289,456	1,310,708	21,252	82,000	26,909	(55,091)
Uses of money and property	411,448	740,760	329,312	606,781	1,446,214	839,433
Intergovernmental	4,763,719	5,105,977	342,258	5,064,057	3,038,183	(2,025,874)
Charges for current services	805,490	908,654	103,164	9,883,820	10,985,260	1,101,440
Other revenues	74,765	90,043	15,278	-	-	-
Total revenues	39,497,338	41,148,275	1,650,937	17,796,287	17,644,023	(152,264)
EXPENDITURES:						
Current:						
General government	5,611,413	5,402,171	209,242	333,871	281,197	52,674
Public safety	19,474,681	19,889,700	(415,019)	4,494,218	4,548,000	(53,782)
Public works and parks	4,562,437	4,788,883	(226,446)	3,757,757	3,736,052	21,705
Community development/redevelopment	1,928,395	1,816,471	111,924	-	169,041	(169,041)
Culture and recreation	1,623,572	1,496,042	127,530	4,789,446	4,875,490	(86,044)
Capital outlay	179,841	90,029	89,812	2,760,387	2,813,240	(52,853)
Capital improvement/special projects	946,154	378,772	567,382	8,702,622	3,749,525	4,953,097
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	34,326,493	33,862,068	464,425	24,838,301	20,172,545	4,665,756
REVENUES OVER (UNDER) EXPENDITURES	5,170,845	7,286,207	2,115,362	(7,042,014)	(2,528,522)	4,513,492
OTHER FINANCING SOURCES (USES):						
Operating transfers in (Note 5)	1,423,998	1,413,998	(10,000)	4,285,780	4,185,780	(100,000)
Operating transfers out (Note 5)	(5,745,732)	(5,745,732)	-	(1,008,596)	(898,596)	110,000
Total other financing sources (uses)	(4,321,734)	(4,331,734)	(10,000)	3,277,184	3,287,184	10,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 849,111	2,954,473	\$ 2,105,362	\$ (3,764,830)	758,662	\$ 4,523,492
FUND BALANCES:						
Beginning of year		7,212,010			16,507,228	
End of year		<u>\$10,166,483</u>			<u>\$17,265,890</u>	

See accompanying notes to general purpose financial statements.

Debt Service Funds (with Budgets)			Expendable Trust Funds (with Budgets)			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,509,325	\$ 4,489,349	\$ (19,976)	\$ -	\$ -	\$ -	\$ 38,066,974	\$ 38,784,146	\$ 717,172
-	-	-	-	-	-	754,440	844,793	90,353
-	-	-	-	-	-	1,371,456	1,337,617	(33,839)
51,652	56,864	5,212	22,210	23,815	1,605	1,092,091	2,267,653	1,175,562
-	-	-	35,000	35,000	-	9,862,776	8,179,160	(1,683,616)
-	-	-	-	-	-	10,689,310	11,893,914	1,204,604
-	-	-	17,000	17,761	761	91,765	107,804	16,039
<u>4,560,977</u>	<u>4,546,213</u>	<u>(14,764)</u>	<u>74,210</u>	<u>76,576</u>	<u>2,366</u>	<u>61,928,812</u>	<u>63,415,087</u>	<u>1,486,275</u>
-	-	-	52,000	53,975	(1,975)	5,997,284	5,737,343	259,941
-	-	-	-	-	-	23,968,899	24,437,700	(468,801)
-	-	-	-	-	-	8,320,194	8,524,935	(204,741)
-	-	-	-	-	-	1,928,395	1,985,512	(57,117)
-	-	-	30,960	5,828	25,132	6,443,978	6,377,360	66,618
-	-	-	-	-	-	2,940,228	2,903,269	36,959
-	-	-	-	-	-	9,648,776	4,128,297	5,520,479
1,796,000	1,786,000	10,000	-	-	-	1,796,000	1,786,000	10,000
2,753,907	2,746,333	7,574	-	-	-	2,753,907	2,746,333	7,574
<u>4,549,907</u>	<u>4,532,333</u>	<u>17,574</u>	<u>82,960</u>	<u>59,803</u>	<u>23,157</u>	<u>63,797,661</u>	<u>58,626,749</u>	<u>5,170,912</u>
11,070	13,880	2,810	(8,750)	16,773	25,523	(1,868,849)	4,788,338	6,657,187
-	-	-	-	-	-	5,709,778	5,599,778	(110,000)
-	(7,550)	(7,550)	-	-	-	(6,754,328)	(6,651,878)	102,450
-	(7,550)	(7,550)	-	-	-	(1,044,550)	(1,052,100)	(7,550)
<u>\$ 11,070</u>	<u>6,330</u>	<u>\$ (4,740)</u>	<u>\$ (8,750)</u>	<u>16,773</u>	<u>\$ 25,523</u>	<u>\$ (2,913,399)</u>	<u>3,736,238</u>	<u>\$ 6,649,637</u>
	<u>1,971,423</u>			<u>415,782</u>			<u>26,106,443</u>	
	<u>\$ 1,977,753</u>			<u>\$ 432,555</u>			<u>\$ 29,842,681</u>	

City of San Rafael

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types and Discretely Presented Component Unit

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Primary Government Internal Service	Component Unit	Totals	
		San Rafael Sanitation District Enterprise Fund	(Memorandum Only)	
			2001	2000
OPERATING REVENUES:				
Charges for current services	\$ 3,104,777	\$ -	\$ 3,104,777	\$ 3,398,451
Refunds	95,560	-	95,560	73,013
Sewer charges	-	5,033,015	5,033,015	4,729,783
Connection fees	-	101,632	101,632	124,876
Other operating revenues	-	4,486	4,486	79,633
Total operating revenues	3,200,337	5,139,133	8,339,470	8,405,756
OPERATING EXPENSES:				
Contract services	115,906	-	115,906	-
Insurance premiums and claims	2,643,102	-	2,643,102	2,807,992
Capital outlay	4,434	-	4,434	-
Capital improvement projects	226,515	-	226,515	-
Sewage collection	-	1,418,561	1,418,561	1,632,159
Sewage treatment	-	1,970,028	1,970,028	1,866,300
Depreciation and amortization	-	837,418	837,418	786,445
General and administrative	-	203,602	203,602	206,402
Total operating expenses	2,989,957	4,429,609	7,419,566	7,299,298
OPERATING INCOME	210,380	709,524	919,904	1,106,458
NONOPERATING REVENUES (EXPENSES):				
Property taxes	-	493,661	493,661	442,365
Operating transfers in	850,000	-	850,000	487,269
Aid from governmental agencies	-	73,490	73,490	65,332
Gain on sale of fixed assets	-	8,260	8,260	-
Contribution to the District	-	206,008	206,008	-
Operating transfers out	(90,000)	-	(90,000)	-
Investment income	358,614	171,235	529,849	286,537
Interest expense	-	(184,600)	(184,600)	(268,760)
Total nonoperating revenues	1,118,614	768,054	1,886,668	1,012,743
NET INCOME	1,328,994	1,477,578	2,806,572	2,119,201
Add: depreciation expense on assets acquired by contributed capital	-	290,598	290,598	286,478
Less: contributed capital received	-	(206,008)	(206,008)	-
Increase in retained earnings	1,328,994	1,562,168	2,891,162	2,405,679
RETAINED EARNINGS:				
Beginning of year	3,253,889	13,731,140	16,985,029	14,579,350
End of year	\$ 4,582,883	\$ 15,293,308	\$ 19,876,191	\$ 16,985,029

See accompanying notes to general purpose financial statements.

City of San Rafael

Combined Statement of Cash Flows

All Proprietary Fund Types and Discretely Presented Component Unit

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Primary	Component	Totals	
	Government	Unit	(Memorandum Only)	
	Internal	Enterprise	2001	2000
	Service	Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 210,380	\$ 709,524	\$ 919,904	\$ 1,106,458
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	-	837,418	837,418	786,445
Changes in current assets and liabilities:				
Receivables	-	(6,898)	(6,898)	-
Due to other governments	-	(18,019)	(18,019)	-
Prepaid expenses and other current assets	-	(48,152)	(48,152)	(53,932)
Accounts payable and other current liabilities	67,763	479,828	547,591	86,898
Insurance claims payable	355,563	-	355,563	240,338
Net cash provided by operating activities	633,706	1,953,701	2,587,407	2,166,207
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	850,000	-	850,000	487,269
Operating transfers out	(90,000)	-	(90,000)	-
Residual equity transfers from other funds	-	-	-	1,293,252
Property taxes	-	493,661	493,661	442,365
Aid from governmental agencies	-	73,490	73,490	65,332
Net cash provided by noncapital financing activities	760,000	567,151	1,327,151	2,288,218
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Cash paid for capital acquisitions	-	(995,499)	(995,499)	(635,731)
Interest received from certificates of participation principal cash	-	22,745	22,745	19,766
Principal payments on certificates of participation	-	571,281	571,281	(210,000)
Interest paid on certificates of participation	-	(184,600)	(184,600)	(268,760)
Net cash (used) by capital financing activities	-	(586,073)	(586,073)	(1,094,725)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Gain on sale of fixed assets	-	8,260	8,260	-
Investment income	358,614	148,490	507,104	266,771
Net cash provided by investing activities	358,614	156,750	515,364	266,771
Net increase in cash and investments	1,752,320	2,091,529	3,843,849	3,626,471
CASH AND INVESTMENTS:				
Beginning of year	5,660,428	2,910,169	8,570,597	4,944,126
End of year	\$ 7,412,748	\$ 5,001,698	\$ 12,414,446	\$ 8,570,597

See accompanying notes to general purpose financial statements.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

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City of San Rafael
Notes to General Purpose Financial Statements
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of San Rafael (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City maintains a Council-Manager form of government and provides the following services: public safety (police and fire), public works, community development, library, parks, recreation, childcare, and general administrative services.

As required by GAAP, these general purpose financial statements present the City (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria set forth in GASB Statement No. 14: the primary government is accountable for the potential component unit, and the primary government is able to impose its will upon the potential component, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

In addition to having the same governing board, the City is financially accountable for the San Rafael Redevelopment Agency and the San Rafael Joint Powers Financing Authority, and management activities of both entities are conducted by City staff. The two legally separated entities are, in substance, part of the City's operations and are, therefore, blended into the City's general purpose financial statements.

The component units discussed in this note are included in the City's reporting entity because of the significance of its operational or financial relationships with the City. Each component unit has a June 30 year end. Separately issued component unit financial statements can be obtained at the City of San Rafael, Finance Division, 1400 Fifth Avenue, Room 204, San Rafael, California 94901.

Blended Component Units:

San Rafael Redevelopment Agency - The San Rafael Redevelopment Agency (Agency) was established under the provisions of the Community Redevelopment Law (California Health and Safety Code, commencing with Section 33000) primarily to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the City. Financial activity of the Agency commenced in July 1983. Under the Agency's Redevelopment Plan (Plan), approved in November 1982, the Agency proposes to assist

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

in the development of the property located in the central San Rafael business core and east San Rafael. The Agency receives incremental tax revenues on the developed property due to increases in assessed value. The Agency functions as an independent entity. The City Council serves as the governing board of the Agency.

The Agency's assets, liabilities, revenues and expenditures (other than those applicable to its fixed assets and long-term debt) are blended into the capital projects funds and debt service funds. The Agency's fixed assets are included in the General Fixed Assets Account Group. The Agency's long-term debts are blended into the General Long-Term Debt Account Group.

San Rafael Joint Powers Financing Authority - The San Rafael Joint Powers Financing Authority (Authority) was created by the City of San Rafael pursuant to Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California for the purpose of assisting in the financing and refinancing of certain assessment district activities of the City.

All of the Authority's assets, liabilities, revenues and expenditures are blended into the capital projects funds and the debt service funds. The Authority's long-term debts are blended into the General Long-Term Debt Account Group.

Discretely Presented Component Unit:

San Rafael Sanitation District - The San Rafael Sanitation District (District) was formed in 1947 under Section 4700 of the California Health and Safety Code to provide wastewater transmission over the southern two-thirds of the City and adjacent unincorporated areas. The City contracts with the District to maintain the collection systems in the City and unincorporated areas.

The District is governed by a three member Board of Directors who are appointed to four-year terms. The City Council of the City appoints two out of the three board members and has the ability to remove the two board members at will.

The District's activities are reported as a discretely presented component unit in a separate column in the general purpose financial statements which includes the District's assets, liabilities, revenues, expenses, results of operations and cash flows. The District's fiscal year end is June 30 and its separately issued component unit financial statements can be obtained at Central Marin Sanitation Agency, Finance Department, 1301 Andersen Drive, San Rafael, California 94901.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Description of Funds and Account Groups

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity with its own self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. These funds and account groups are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds presented in the general purpose financial statements are grouped into categories as follows.

Governmental Fund Types:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or administratively restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or program to other departments or programs of the City, or to other governments, on a cost-reimbursement basis.

Enterprise Funds are used to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Fiduciary Fund Type:

Expendable Trust Funds are accounted for in the same manner as governmental funds. All trust funds of the City are classified as expendable.

Account Groups:

The General Fixed Assets Account Group is used to maintain control and cost information on capital assets acquired to perform general government functions.

The General Long-Term Debt Account Group is used to record the unmatured principal of tax allocation bonds, special assessment bonds, notes, compensated absences, the principal amount of future lease payments due under lease purchase agreements and other long-term liabilities.

C. Measurement Focus

All governmental funds and expendable trust funds are accounted for on a spending or “*current financial resources*” measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets, with the exception that the noncurrent portion of long-term receivables are reported on their balance sheets, offset by fund balance reserve accounts or deferred revenue.

Statements of revenues, expenditures and changes in fund balances for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a cost of services or “*economic resources*” measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the balance sheets. Their reported fund equity presents total net assets. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Accounting

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash except that revenues subject to accrual are recognized as income when due. Accrued revenues include property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.) and earnings on investments. Grant revenues have been recorded according to the provisions of GASB, whereby grant funds received before the revenue recognition criteria have been met are reported as a receivable. Expenditures are recorded in the accounting period in which the related fund liability is incurred except for unmatured principal and interest on long-term debt, which are recognized when due, and compensated absences, which are recorded as a fund liability and an expenditure when expected to be liquidated with expendable available financial resources.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred. The City applies all FASB statements that do not conflict with or contradict GASB guidance.

E. Budgets

The City adopts a budget on a biannual basis, to be effective July 1 for the ensuing and subsequent fiscal years. The two year budget reflects estimated revenues and expenditures for each fiscal year. From the effective date of the budget, which is adopted at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. Expenditures may not exceed appropriations at the departmental level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between accounts, departments or funds; the Council must approve any increase in the City's total budget. Several supplemental appropriations were approved during the course of the year.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The City legally adopts budgets for all its governmental funds, except for the East Francisco Boulevard Assessment District, 1915 Act Bonds and 1997 Reassessment Bonds Debt Service Funds, because the City is only required to make debt service payments in the event of bondholder default. No budget was created for the Recreation Fiduciary Expendable Trust Fund because unanticipated contribution/donation was received at the end of fiscal year.

Because not all debt service funds have annual budget, the actual amounts that appear in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds and Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund, Special Revenue Funds, Debt Service Funds with Budgets and Expendable Trust Funds with Budgets do not agree. A reconciliation of key information for the debt service funds and expendable trust funds between the two statements is presented below:

	Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	Fund Balances
Debt Service Funds:		
Actual amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	\$ 6,330	\$ 1,977,753
Funds without annual budgets:		
East Francisco Boulevard Assessments District	-	13,701
1915 Act Bonds	-	67,387
1997 Reassessment Bonds	-	2,397
Amounts on Combined Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 6,330	\$ 2,061,238
Expendable Trust Funds:		
Actual amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	\$ 16,773	\$ 432,555
Funds without annual budgets:		
Recreation Fiduciary	(2,568)	32,398
Amounts on Combined Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,205	\$ 464,953

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The basis of accounting applied to the budget data presented for the General Fund, special revenue funds, and the debt service funds and expendable trust funds is the modified accrual basis of accounting, and also conforms to GAAP. The capital projects funds budgets are based on a project time frame, rather than a fiscal year "operating" time frame, reappropriating unused appropriations from year to year until project completion.

Supplemental appropriations for the fiscal year ended June 30, 2001, were as follows:

Fund	Original Budget	Supplemental Appropriations	Final Budget
General Fund	\$ 30,863,529	\$ 3,462,964	\$ 34,326,493
Special Revenue Funds	15,080,861	9,757,440	24,838,301
Debt Service Funds	4,542,357	7,550	4,549,907
Expendable Trust Funds	82,960	-	82,960

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the budgetary process. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and are carried forward in the subsequent year's budget. All unencumbered appropriations lapse at year end.

F. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts with original maturities of three months or less to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term loans are classified as interfund receivables or payables.

H. Property Tax Levy Collection and Maximum Rates

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the counties, cities, school districts, and other districts.

Marin County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the City and the County of Marin. The Teeter Plan authorizes the auditor-controller of the County of Marin to allocate 100% of the secured property taxes billed, but not yet paid. The County of Marin remits tax monies to the City in three installments, as follows:

55% remitted on December 15
40% remitted on April 15
5% remitted on June 15

I. Taxpayer-Assessed Taxes Accrual

In accordance with GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*, the City recognizes taxpayer-assessed taxes in governmental funds as follows:

Sales Taxes - The City accrues actual advances from the State Board of Equalization received in July and August of the subsequent fiscal year, as these amounts are both measurable and available to the City to meet its financial obligation for the current period.

Public Safety Sales Tax (Proposition 172 Sales Tax) - The City accrues July and August receipts of the public safety sales tax on the basis consistent with the accrual of regular sales taxes.

Transient Occupancy Taxes - The City collects transient occupancy taxes on a quarterly basis. The taxes assessed for the quarter ended June 30 are due by July 31 of the subsequent fiscal year. The City accrues all transient occupancy taxes for the June 30th quarter received subsequent to the fiscal year end.

Gas Taxes - The City accrues gas taxes assessed for the month ended June 30, as these amounts are both measurable and available to the City a month after the fiscal year end.

Franchise Fees - The City collects cable franchise fees on a quarterly basis and refuse franchise fees on a monthly basis. The taxes assessed for the quarter ended June 30 are due by July 31 of the subsequent fiscal year. The City accrues all franchise fees for the June 30th period received subsequent to the fiscal year end.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

J. General Fixed Assets

General fixed assets are recorded as expenditures of the various governmental funds at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Assets Account Group. Such assets include land, buildings, building improvements, furniture and equipment.

Public domain "infrastructure" fixed assets, such as roads, streets and sidewalks, bridges, curbs and gutters, drainage systems, lighting systems, and similar assets, are not capitalized. No depreciation is provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Fixed assets acquired by lease obligations are valued at the present value of future lease payments at the inception of the lease.

The collection systems and facilities of the District are stated at cost less accumulated depreciation. Assets contributed have been recorded at the fair market value at the date received. Maintenance and repairs are charged to expense as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset. Depreciation is computed using the straight-line method over the useful lives of the assets.

A summary of the useful lives of the fixed assets of the District is as follows:

Subsurface lines	50 years
Sewage collection facilities	5 - 50 years
General plant and administrative facilities	3 - 15 years

K. Long-Term Lease Accounting

Fixed assets acquired through long-term lease contracts are capitalized at the time the contract is executed. The related assets and liabilities are recorded in the appropriate fund or account group.

L. Compensated Absences

The City accounts for compensated absences (unpaid vacation, sick leave, compensatory time, and administrative leave) expected to be currently payable as accrued payroll and benefits liability in the governmental funds to which they relate. The balance of the earned

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

and vested, but unused, compensated absences expected to be paid subsequent to the end of current fiscal year, is recorded in the General Long-Term Debt Account Group. Effective July 2001, the requirement that employees hired before 10/79 be eligible for a portion of unused sick leave will be eliminated. No expenditure was recorded for these amounts.

M. Claims and Judgments

Claims and judgments that normally would be liquidated with expendable available resources are accounted for in the internal service funds.

N. Appropriation Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes. For the fiscal year ended June 30, 2001, based on calculations by City's management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balances for general contingencies to be used for any purpose.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis and do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made.

Q. Reclassifications

Certain reclassifications have been made to prior year financial data in order to conform with the current year presentation.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Implementation of New GASB Pronouncement

In 2001, the City adopted a new accounting standard in order to conform to Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

GASB No. 33 established recording assets and revenues when the underlying exchange occurred, enforceable legal claim had arisen, all eligibility requirements had been met or when resources were received, whichever was first. By adopting this Standard, the City recognized assets and revenues from Non-Exchange Transactions which included sales taxes, property taxes, other taxes, fines and forfeitures, certain grants and entitlements, and certain government mandates. These Non-Exchange Transactions were accounted for as susceptible to accrual using the measurable and available criteria.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City Treasurer invests to enhance interest earnings. The pooled interest earned is allocated quarterly to each fund based on an average of quarterly opening and closing balances of cash and investments.

A. Cash Deposits

The carrying amounts of the City's cash deposits were \$1,855,562 at June 30, 2001. Bank balances at June 30, 2001 were \$2,518,565 which were fully insured and collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

B. Investments

The City is authorized by State statutes and in accordance with the City's Investment Policy (the Policy), adopted on December 18, 2000, to invest in the following:

- ❑ U.S. Government Obligations
- ❑ U.S. Government Agencies and Instruments
- ❑ Repurchase Agreements
- ❑ Bankers Acceptances
- ❑ Commercial Paper
- ❑ Medium-Term Corporate Notes
- ❑ Certificates of Deposit
- ❑ Negotiable Certificates of Deposit
- ❑ California Local Agency Investment Fund (LAIF)
- ❑ Mutual Funds

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method resulting in the following investment income:

Investment Income:	
Interest income	\$ 3,349,027
Net unrealized gain (loss) in changes in fair value of investments	<u>31,836</u>
Total investment income	<u><u>\$ 3,380,863</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

C. Risk Category

In accordance with GASB Statement No. 3, cash deposits and investments are categorized separately to give an indication of the level of risk assumed by the City. Cash deposits and investments not subject to such categorization under GASB Statement No. 3 are identified as "uncategorized."

The City's cash deposits and investments are categorized in the following manner:

Deposits:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Deposits which are uninsured or uncollateralized.

Investments:

Category 1 - Insured or registered or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the entity's name.

Uncategorized - Certain cash deposits and investments are not subject to categorization under GASB Statement No. 3.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

Pooled cash and investments were classified by risk category as follows at June 30, 2001:

	Category 1	Category 2	Category 3	Uncategorized	Fair Value
City Treasury:					
Demand Deposits:					
Cash Deposits	\$ 1,855,562	\$ -	\$ -	\$ -	\$ 1,855,562
Certificates of Deposit	490,517	-	-	-	490,517
Total demand deposits	2,346,079	-	-	-	2,346,079
Investments:					
Securities of U.S. Government					
Agencies	-	5,511,724	-	-	5,511,724
Corporate bonds and notes	-	8,371,731	-	-	8,371,731
Local Agency Investment Fund	-	-	-	25,980,875	25,980,875
Total investments	-	13,883,455	-	25,980,875	39,864,330
Total City treasury	2,346,079	13,883,455	-	25,980,875	42,210,409
Cash and Investments with Fiscal Agent	-	-	18,551,013	-	18,551,013
Total cash and investments	\$ 2,346,079	\$ 13,883,455	\$ 18,551,013	\$ 25,980,875	\$ 60,761,422

The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2001, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2001, the City had \$25,980,875 invested in LAIF, which had invested 4.506% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.002237525 was used to calculate the fair value of investments in LAIF.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

2. CASH AND INVESTMENTS, Continued

Cash and investments stated at fair value held in the City Treasury grouped by maturity date at June 30, 2001, are shown below:

<u>Maturity</u>	<u>Fair Value</u>
Current to one year	\$ 31,509,217
One to two years	1,504,360
Two to three years	517,865
Three to four years	1,636,771
Four to five years	7,042,196
Total	\$ 42,210,409

D. Cash and Investments with Fiscal Agent

The funds deposited with fiscal agent can be held in cash or invested in various securities. The fiscal agent can invest in securities as outlined in trust agreements, provided the investments are within the limits imposed by State statutes upon the entity. At June 30, 2001, cash and investments with fiscal agent totaling \$18,551,013 were recorded at fair value.

E. Component Unit - Sanitation District Cash and Investments

All of the District's cash is deposited with the County of Marin's pooled cash and investments account, except cash related to the certificates of participation which is invested in an open-end mutual fund held in trust by the District's custodial agent. The carrying amount and fair value of the pooled cash and investments account and the open-end mutual fund at June 30, 2001, amounted to \$3,806,971 and \$1,194,652, respectively, totaling \$5,001,623. In accordance with Category 3, both of these types of investments are not required to be categorized as to credit risk. Fair values for the pooled cash and investments were provided by the County of Marin as the pool's sponsor. The fair value of the open-end mutual fund was based upon the unit share price at June 30, 2001.

Cash and investments at June 30, 2001, consisted of the following:

Cash and investments	\$ 5,001,623
Petty cash	<u>75</u>
Total	\$ 5,001,698
Unrestricted cash:	
Cash	\$ 3,807,046
Restricted cash:	
Certificates of participation	<u>1,194,652</u>
Total	\$ 5,001,698

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

3. RECEIVABLES

As of June 30, 2001, receivables consisted of the following:

Accounts	\$ 1,701,408
Taxes	5,151,973
Grants	287,975
Interest	721,313
Loans	<u>995,938</u>
Total	<u><u>\$ 8,858,607</u></u>

A. Accounts Receivable

Accounts receivable consisted of amounts accrued in the funds in the ordinary course of operations. The total amount of accounts receivable as of June 30, 2001, was as follows:

General Fund	\$ 558,356
Special Revenue Funds:	
Recreation Revolving	140,471
Parking Services	19,535
Household Hazmat Facility	272,209
Public Safety	<u>15,896</u>
Total special revenue funds	<u>448,111</u>
Capital Projects Funds:	
Capital Improvement	194,488
Park Capital Projects	5,453
1995 Bonds Capital Project	<u>495,000</u>
Total capital projects funds	<u>694,941</u>
Total	<u><u>\$ 1,701,408</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

3. RECEIVABLES, Continued

B. Taxes Receivable

As of June 30, 2001, the following taxes receivable were outstanding:

	General Fund	Special Revenue Funds	Capital Projects Funds	Totals
Property taxes	\$ 373,403	\$ -	\$ 945,608	\$ 1,319,011
Sales taxes	2,948,943	-	-	2,948,943
Transient occupancy taxes	320,000	-	-	320,000
Franchise fees	314,023	-	-	314,023
Miscellaneous taxes & fees	143,580	106,416	-	249,996
Totals	\$ 4,099,949	\$ 106,416	\$ 945,608	\$ 5,151,973

C. Grants Receivable

The total amount of grants receivable as of June 30, 2001, were as follows:

Special Revenue Funds:	
Childcare	\$ 2,584
Library	175,475
Grants	109,916
Total	\$ 287,975

D. Interest Receivable

As of June 30, 2001, interest receivable consisted of the followings:

General Fund	\$ 674,163
Capital Projects Funds:	
Low and Moderate Income Housing	20,663
1999 Bonds Capital Project	26,487
Total	\$ 721,313

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

3. RECEIVABLES, Continued

E. Loans Receivable

The City had the following loans receivable at June 30, 2001:

General Fund:	
Loan from City Manager	\$ 363,757
Employees' Computer Loans	27,331
Total general fund	<u>391,088</u>
Special Revenue Funds:	
Traffic and Housing Mitigation:	
One "H " Street Associates	91,428
Parkland Dedication:	
Muir Terrace Homes	21,726
Total special revenue funds	<u>113,154</u>
Capital Projects Funds:	
Park Capital Projects:	
Marin Bocce Federation	40,000
Low and Moderate Income Housing:	
Marin Housing Development	100,000
Centertown Associates	225,536
Balloon Mortgage Loan	126,160
Total capital projects funds	<u>491,696</u>
Total	<u><u>\$ 995,938</u></u>

On August 1, 1996, the City made a 30-year loan to the City Manager in the amount of \$392,040, at an interest rate equivalent to the Local Agency Investment Fund interest rate, for the purchase of a home. The loan is secured by the Deed of Trust. The principal and interest are payable monthly commencing September 1, 1996 through August 31, 2026. As of June 30, 2001, the outstanding balance of the loan was \$363,757.

On August 1, 1997, the City made a 30-year loan to the Chief of Police in the amount of \$400,000, at an interest rate equivalent to the Local Agency Investment Fund interest rate, for the purchase of a home. The loan is secured by the Deed of Trust. The loan was paid in full as of June 30, 2001.

Effective February 1, 2000, the City agreed to loan employees up to \$2,500 for the purchase of computer software and hardware. The loan program, which stipulates that employees may not have more than one loan outstanding, provides financial assistance from the City in the form of a no interest loan repaid through automatic payroll deductions. As of June 30, 2001, the outstanding balance of the employees' computer loans was \$27,331.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

3. RECEIVABLES, Continued

E. Loans Receivable, Continued

\$100,000 loan from One "H" Street Associates at 0% interest rate with annual payments of \$2,857 and with final payment due January 18, 2034. The loan is in connection with the affordable housing project located at One "H" Street. As of June 30, 2001, the outstanding balance of the loan was \$91,428.

In April 1996, Muir Terrace Homes entered in agreement with the City to defer all development fee payments except the Traffic Mitigation fee is waived for the Below Market Rate units. The payments are due when the developer has sold all the units for low-mod income housing. The outstanding balance of the loan receivable at June 30, 2001 was \$21,726.

The City entered an interest free loan with the Marin Bocce Federation to finance the San Rafael Bocce Center projects. The loan is due in annual installments, due and by June 30 of each year in the amount of \$5,000. The outstanding balance at June 30, 2001 was \$40,000.

\$100,000 from Marin Housing Development at 0% interest rate. All principal and interest shall be due on January 30, 2005. As of June 30, 2001, the balance of the loan was \$100,000.

\$303,000 loan from Centertown Associates, Ltd. at 3% interest rate due semiannually. The final payment is due on July 1, 2065. The remaining loan receivable at June 30, 2001 was \$225,536.

On May 18, 2001, the San Rafael Redevelopment Agency entered a five-year balloon mortgage loan agreement with Brendan Mitchell in the amount of \$126,160. The annual interest rate of the loan is 7.875%. The principal and interest are payable monthly in the amount of \$915 on the first day of each month commencing July 1, 2001. The entire outstanding balance is due and payable on or before June 30, 2006. At June 30, 2001, the outstanding balance of the loan was \$126,160.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

4. DEFERRED REVENUE

As of June 30, 2001, deferred revenue as related to certain receivables was recorded as follows:

Special Revenue Funds:	
Recreation Revolving	\$ 135,604
Parkland Dedication	21,726
Capital Projects Funds:	
Park Capital Projects	<u>40,000</u>
Total	<u><u>\$ 197,330</u></u>

5. INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

As of June 30, 2001, balances of interfund receivables and payables were as follows:

Due To Other Funds					
	Special Revenue Funds			Capital Projects	Totals
	Traffic and	Development	Library	Fund	
	Housing Mitigation	Services		Park Capital	
				Project	
General	\$ -	\$ -	\$ 78,403	\$ 5,000	\$ 83,403
Special Revenue Fund:					
Parkland Dedication	-	-	-	35,000	35,000
Capital Project Funds:					
Bedroom Tax	-	-	-	19,931	19,931
Low and Moderate Income Housing	200,000	-	-	-	200,000
1995 Bonds Capital Projects	-	732,735	-	-	732,735
Totals	<u>\$ 200,000</u>	<u>\$ 732,735</u>	<u>\$ 78,403</u>	<u>\$ 59,931</u>	<u>\$ 1,071,069</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

5. INTERFUND TRANSACTIONS, Continued

B. Operating Transfers

Operating transfers for the year ended June 30, 2001, were as follows:

	Special Revenue Funds						Capital Projects Funds			Internal Service Funds		Totals	
	General	Recreation Revolving	Equipment Replacements	Street Maintenance and Cleaning	Public Safety	Stormwater	Grants	Capital Improvement	1985 Capital Project and Administration	1992 Bonds Capital Projects	Building Maintenance		Workers' Compensation
General	\$ 907,852	\$ 914,268	\$ 171,000	\$ 1,718,211	\$ 20,000	\$ 626,175	\$ 189,226	\$ 349,000	\$ -	\$ -	\$ 450,000	\$ 400,000	\$ 5,745,732
Special Revenue Funds:													
Parking Services	56,396	-	-	-	-	-	-	-	-	-	-	-	56,396
Gas Tax	-	-	-	400,000	-	-	-	-	-	-	-	-	400,000
Childcare	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000
Sewer Maintenance	78,408	-	-	-	-	-	-	-	-	-	-	-	78,408
Grants	27,000	-	-	-	-	-	-	-	-	-	-	-	27,000
Emergency Medical Services	236,792	-	-	-	-	-	-	-	-	-	-	-	236,792
Debt Service Funds:													
Peacock Gap													
Assessment District	2,537	-	-	-	-	-	-	-	-	-	-	-	2,537
Mariposa Assessment District	151	-	-	-	-	-	-	-	-	-	-	-	151
1997 Financing Authority													
Revenue Bonds	4862	-	-	-	-	-	-	-	-	-	-	-	4,862
Capital Projects Funds:													
Assessment Districts	-	-	-	-	-	56,900	-	-	-	-	-	-	56,900
1995 Bonds Capital Project	-	-	-	-	-	-	-	-	-	220,000	-	-	220,000
1999 Bond Capital Project	-	-	-	-	-	-	-	901,456	-	-	-	-	901,456
Internal Service Fund:													
Liability Insurance	-	-	-	-	-	90,000	-	-	-	-	-	-	90,000
Totals	\$ 1,413,998	\$ 914,268	\$ 171,000	\$ 2,118,211	\$ 20,000	\$ 773,075	\$ 189,226	\$ 349,000	\$ 901,456	\$ 220,000	\$ 450,000	\$ 400,000	\$ 7,920,234

Transfers Out

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

6. FIXED ASSETS

A summary of the City's changes in general fixed assets for the year ended June 30, 2001, follows:

	Balance July 1, 2000	Additions	Deletions	Changes of Capitalization Amount Adjustments	Balance June 30, 2001
Land and buildings	\$ 22,224,349	\$ -	\$ (1,987)	\$ (10,404)	\$ 22,211,958
Rolling equipment	6,046,409	1,528,102	(421,214)	(1,971)	7,151,326
Furniture and equipment	6,380,475	556,808	(50,468)	(636,197)	6,250,618
Improvements other than buildings	3,360,250	-	-	(622)	3,359,628
Totals	<u>\$ 38,011,483</u>	<u>\$ 2,084,910</u>	<u>\$ (473,669)</u>	<u>\$ (649,194)</u>	<u>\$ 38,973,530</u>

A summary of the District's fixed assets at June 30, 2001, follows:

Land and easements	\$ 115,329
Subsurface lines	12,152,655
Sewage collection facilities	22,700,473
General plant and administration	41,785
Construction in progress	<u>754,661</u>
Total	35,764,903
Less accumulated depreciation	<u>(13,120,897)</u>
Total	<u>\$ 22,644,006</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT

The City records long-term debt of governmental funds in the General Long-Term Debt Account Group. Other governmental fund obligations not expected to be financed with current available financial resources are also recorded in the General Long-Term Debt Account Group.

Long-term debt outstanding at June 30, 2001, was as follows:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
San Rafael Joint Powers Financing Authority:				
1997 Authority Revenue Bonds	\$ 4,315,000	\$ -	\$ (430,000)	\$ 3,885,000
San Rafael Redevelopment Agency Tax Allocation Bonds:				
Series 1992	15,100,000	-	(480,000)	14,620,000
Series 1995	7,855,000	-	(200,000)	7,655,000
Series 1999	22,944,004	-	(500,000)	22,444,004
Total Tax Allocation Bonds	45,899,004	-	(1,180,000)	44,719,004
Special Assessment Bonds (with governmental commitment):				
Peacock Gap Refunding	1,125,000	-	(195,000)	930,000
Mariposa Road Assessment	140,000	-	(15,000)	125,000
Total Special Assessment Bonds	1,265,000	-	(210,000)	1,055,000
Note Payable	169,000	-	-	169,000
Capitalized Lease Obligations	52,309	560,369	(192,178)	420,500
Compensated Absences	3,698,131	191,234	-	3,889,365
Total long-term debt	<u>\$ 55,398,444</u>	<u>\$ 751,603</u>	<u>\$ (2,012,178)</u>	<u>\$ 54,137,869</u>
Component Unit - San Rafael Sanitation District:				
2001 Certificates of Participation	\$ -	\$ 4,427,987	\$ -	\$ 4,427,987
1991 Certificates of Participation	3,856,706	-	(3,856,706)	-
Totals	<u>\$ 3,856,706</u>	<u>\$ 4,427,987</u>	<u>\$ (3,856,706)</u>	<u>\$ 4,427,987</u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

A. 1997 Authority Revenue Bonds - Original Issue \$5,250,000

On January 28, 1997, the San Rafael Joint Powers Financing Authority issued the 1997 Authority Revenue Bonds in the amount of \$5,250,000 bearing interest at rates from 4.00% to 6.00%. The proceeds of the bonds were used to consolidate and refund the previously issued Limited Obligation Refunding Bonds. The bonds mature annually each September 2 from 1997 to 2011, in amounts ranging from \$20,000 to \$555,000. Interest is payable semiannually on March 2 and September 2. The bonds are subject to redemption on any March 2 or September 2 in advance of maturity at the option of the City upon payment of the principal and interest accrued thereon to the date of redemption, plus a redemption premium ranging from 2.00% to 5.00%. Revenues from the repayment of the Refunding Bonds and the reserve account are utilized to meet debt service requirements of the Revenue Bonds. The Refunding Bonds are secured by unpaid reassessments confirmed against private property within the Reassessment District. The outstanding balance of the bonds was \$3,885,000 as of June 30, 2001.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 455,000	\$ 11,375	\$ 466,375
2003	470,000	11,985	481,985
2004	495,000	12,870	507,870
2005	520,000	13,780	533,780
2006	545,000	14,715	559,715
2007-2011	1,130,000	32,236	1,162,236
2012	270,000	8,100	278,100
Totals	\$ 3,885,000	\$ 105,061	\$ 3,990,061

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

B. 1992 Tax Allocation Refunding Bonds - Original Issue \$18,615,000

On May 1, 1992, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Refunding Bonds in the amount of \$18,615,000. The proceeds of the bonds were used to refund \$10,905,000 outstanding principal of the Agency's Central San Rafael Redevelopment Project Tax Allocation Bonds, Series 1985, to fund the construction of new improvements within the Project Area. The 1992 bonds mature annually each December 1 from 1992 to 2017, in amounts ranging from \$340,000 to \$1,350,000 and bear interest at rates ranging from 3.25% to 6.45%. Interest is payable semiannually on June 1 and December 1. The bonds maturing after December 1, 2002 are subject to the optional redemption prior to maturity, in whole or in part, on any date on or after December 1, 2002, at a price equal to the principal amount, plus accrued interest on the redemption date, plus a premium ranging from 0.00% to 2.00%. The bonds are secured by an irrevocable pledge of certain tax revenues and other funds. As of June 30, 2001, the outstanding balance of the bonds was \$14,620,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 505,000	\$ 931,741	\$ 1,436,741
2003	535,000	901,946	1,436,946
2004	570,000	869,311	1,439,311
2005	605,000	834,256	1,439,256
2006	640,000	796,746	1,436,746
2007-2011	3,865,000	3,320,305	7,185,305
2012-2016	5,280,000	1,908,555	7,188,555
2017-2018	2,620,000	256,065	2,876,065
Totals	\$ 14,620,000	\$ 9,818,925	\$ 24,438,925

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

C. 1995 Tax Allocation Bonds - Original Issue \$8,895,000

On October 1, 1995, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Bonds in the amount of \$8,895,000. The proceeds of the bonds were used to finance certain redevelopment activities of the Agency relating to the Central San Rafael Redevelopment Project Area. The bonds mature annually each December 1 from 1995 to 2021, in amounts ranging from \$170,000 to \$610,000 and bear interest at rates ranging from 3.50% to 6.00%. Interest is payable semiannually on June 1 and December 1. The bonds are subject to optional redemption prior to maturity, in whole or in part, either in inverse order of maturity or on a pro rata basis among maturities, on any date on or after December 1, 2003, at a price equal to the principal amount, plus accrued interest on the redemption date plus a premium ranging from 0.00% to 2.00%. The bonds are secured, on a parity with the 1992 bonds, by a pledge and lien on tax revenues and amounts on deposit in certain funds and accounts held by the fiscal agent. The outstanding balance of the bonds was \$7,655,000 as of June 30, 2001.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 210,000	\$ 421,468	\$ 631,468
2003	215,000	412,435	627,435
2004	225,000	402,750	627,750
2005	235,000	392,224	627,224
2006	250,000	380,760	630,760
2007-2011	1,450,000	1,697,140	3,147,140
2012-2016	1,905,000	1,239,190	3,144,190
2017-2021	2,555,000	584,850	3,139,850
2022	610,000	18,300	628,300
Totals	\$ 7,655,000	\$ 5,549,117	\$ 13,204,117

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

D. 1999 Tax Allocation Bonds - Original Issue \$23,504,004

On June 16, 1999, the San Rafael Redevelopment Agency (Agency) issued Tax Allocation Bonds in the amount of \$23,504,004. The bonds were issued as Current Interest Bonds in the aggregate principal amount of \$21,115,000 and as Capital Appreciation Bonds in the original amount of \$2,389,004. The proceeds of the bonds were used to finance certain redevelopment activities of benefit to the Agency's Central San Rafael Redevelopment Project Area. The Current Interest Bonds mature annually each December 1 from 2000 to 2022, in amounts ranging from \$560,000 to \$1,460,000 and bear interest at rates ranging from 4.50% to 5.00%. Interest is payable semiannually on June 1 and December 1. The Current Interest Bonds maturing on or after December 1, 2008, are subject to optional redemption prior to maturity, in whole or in part, either in inverse order of maturity or on a pro rata basis among maturities, on any date on or after December 1, 2007, at a price equal to the principal amount, plus accrued interest on the redemption date, plus a premium ranging from 0.00% to 2.00%. The Capital Appreciation Bonds mature annually after December 1 from 2018 to 2022, in amounts ranging from \$1,440,000 to \$2,070,000 and bear interest at rates ranging from 5.58% to 5.60%. Interest on the Capital Appreciation Bonds will compound on each interest premium date and will be payable solely at maturity. The bonds are secured, on parity with the 1992 and 1995 bonds, by a pledge and lien on tax revenues and amounts on deposit in certain funds and accounts held by the fiscal agent. The outstanding balance of the bonds was \$22,444,004 as of June 30, 2001.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 525,000	\$ 974,475	\$ 1,499,475
2003	550,000	949,600	1,499,600
2004	575,000	922,881	1,497,881
2005	605,000	894,856	1,499,856
2006	630,000	865,525	1,495,525
2007-2011	3,655,000	3,834,332	7,489,332
2012-2016	4,670,000	2,818,250	7,488,250
2017-2021	7,398,794	1,491,875	8,890,669
2022-2023	3,835,210	144,250	3,979,460
Totals	\$ 22,444,004	\$ 12,896,044	\$ 35,340,048

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

E. Peacock Gap Reassessment District Limited Obligation Refunding Improvement Bonds - Original Issue \$2,405,000

On October 7, 1993, the City issued Limited Obligation Refunding Improvement Bonds for the Peacock Gap Reassessment District in the amount of \$2,405,000. The proceeds of the bonds were used to constitute a trust fund for the redemption and payment of principal and interest on the City of San Rafael Improvement Bonds of the Peacock Gap Improvement District, dated September 4, 1984. Interest is payable semi-annually on each March 2 and September 2, commencing March 2, 1994, at rates ranging from 4.00% to 5.75%. As of June 30, 2001, the outstanding balance of the bonds was \$930,000.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 170,000	\$ 48,608	\$ 218,608
2003	180,000	39,068	219,068
2004	190,000	28,798	218,798
2005	195,000	17,920	212,920
2006	195,000	6,181	201,181
Totals	\$ 930,000	\$ 140,575	\$ 1,070,575

F. Mariposa Road Assessment District Limited Obligation Improvement Bonds - Original Issue \$233,688

On January 6, 1993, the City issued Limited Obligation Refunding Improvement Bonds for the Mariposa Road Assessment District in the amount of \$233,688. The proceeds of the bonds were used to finance the grading and paving of Mariposa Road, to fund a Reserve Fund, and to pay the costs of issuance on the bonds. The bonds are issued as Serial Bonds and mature in various amounts on each September 2 commencing September 2, 1994 and ending September 2, 2008. Interest shall be payable commencing on March 2, 1993, and semiannually thereafter on September 2 and March 2 of each year until maturity, at rates ranging from 4.50% to 6.90%. As of June 30, 2001, the outstanding balance of the bonds was \$125,000.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 15,000	\$ 7,906	\$ 22,906
2003	15,000	6,938	21,938
2004	15,000	5,955	20,955
2005	15,000	4,958	19,958
2006	15,000	3,946	18,946
2007-2009	50,000	5,514	55,514
Totals	\$ 125,000	\$ 35,217	\$ 160,217

G. Note Payable

At June 30, 2001, Notes Payable consisted of a \$169,000 promissory note bearing interest at 8% with principal and accrued interest due and payable in November 2024. The note was assumed to finance the purchase of certain property by the Agency.

H. Capitalized Lease Obligations

The City leased one Fire Department ambulance in the amount of \$113,814 including interest of \$16,106. The lease is for five years beginning in 1998 through capital leasing arrangements. The lease expires in 2003.

The City leased one fire truck in the amount of \$558,370 including interest of \$57,620. The annual lease payment of \$186,124 for three years, including interest per year, started on April 10, 2001. The lease expires in 2003.

The City leased two copiers. Copier one is in the amount of \$16,800. The monthly lease payment is \$280 for five years. The lease expires in 2004. Copier two is in the amount of \$11,880. The monthly lease payment is \$198 for five years. The lease expires in 2006.

The City leased furniture in the amount of \$30,939. The monthly lease payment of \$619 for five years started in July 2000. The lease expires in 2006.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

The future minimum lease obligations are due as follows:

Year Ending June 30,	Ambulance	Fire Truck	Copiers	Furniture	Totals
2002	\$ 22,763	\$ 186,123	\$ 7,169	\$ 7,260	\$ 223,315
2003	11,381	186,124	6,636	7,426	211,567
2004	-	-	5,888	7,471	13,359
2005	-	-	2,490	7,379	9,869
2006	-	-	200	619	819
Minimum lease payments	34,144	372,247	22,383	30,155	458,929
Less amount representing interest	(1,873)	(29,328)	(3,161)	(4,067)	(38,429)
Present value of minimum lease payments	<u>\$ 32,271</u>	<u>\$ 342,919</u>	<u>\$ 19,222</u>	<u>\$ 26,088</u>	<u>\$ 420,500</u>

I. Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation, sick leave, compensatory time and administrative leave) expected to be paid subsequent to the fiscal year end, is reported in the General Long-Term Debt Account Group. At June 30, 2001, the balance of compensated absences in the governmental fund types totaled \$3,889,365.

J. Component Unit - San Rafael Sanitation District - 2001 Certificates of Participation - Original Issue \$4,710,000

The District and its Financing Corporation on May 1, 2001 issued \$4,710,000 of Certificates of Participation at discount of \$35,121. The Certificates are to be used (1) to refund in whole the outstanding Series 1991 Certificates of Participation, (2) to finance the District's share of a new construction corporation yard, (3) to fund in whole or in part, a reserve fund for the Certificates, and (4) to pay certain costs of issuing the Certificates. The Certificates are fully registered with principal due annually on August 1 and interest payable semiannually on February 1 and August 1. The Certificates are subject to optional prepayment on any date on or after August 1, 2009. Terms of the Trust Agreement call for a call premium at 101% to exercise optional prepayment between August 1, 2009 and July 31, 2010, and no premium August 1, 2010 and after.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

7. LONG-TERM DEBT, Continued

The transaction advance refunded the 1991 Certificates by placing an amount in an irrevocable escrow fund sufficient to retire the debt on August 1, 2001, terminating and legally defeasing the 1991 Certificates. The excess of the reacquisition price over the net carrying amount of the debt defeased resulted in a deferred amount on refunding of \$246,892. The deferred amount on refunding as well as the discount are carried as a reduction of the certificates of participation to be amortized on a straight-line basis over the life of the new debt as a component of interest expense. The transaction reduced total cash flows by \$44,969 and resulted in an economic gain of \$263,736.

The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2002	\$ 325,000	\$ 131,818	\$ 456,818
2003	330,000	168,237	498,237
2004	345,000	157,010	502,010
2005	350,000	145,020	495,020
2006	365,000	132,142	497,142
2007-2011	2,995,000	448,775	3,443,775
Totals	\$ 4,710,000	\$ 1,183,002	\$ 5,893,002

Total debt outstanding as of June 30, 2001, net of discounts and deferred amount on refunding were as follows:

Principal outstanding at June 30, 2001	\$ 4,710,000
Less:	
Discount	(35,121)
Deferred amount on refunding	(246,892)
Net bonds outstanding at June 30, 2001	\$ 4,427,987

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

8. TAX AND REVENUE ANTICIPATION NOTES

The California Statewide Communities Development Authority (Authority) is a public entity organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement among a number of California counties, cities, and special districts. The Authority is authorized to issue bonds and to finance working capital for local agencies within the State of California. The Authority has a California Communities Cash Flow Financing Program that provides cash flow financing for California counties, cities, and other local agencies meeting certain criteria. The City is participating in this program under the 2000 Tax and Revenue Anticipation Bonds. The Authority, on behalf of participating agencies, has issued \$520,755,000 in a series of bonds. The City's participation level is \$2,500,000. The proceeds of the bond sale have been placed in a twelve-month guaranteed investment contract that will yield a return of 7.32%. The maturity date for the note is June 29, 2001. The City paid the note in full in June 2001.

9. NONCITY OBLIGATIONS

The following bond issues are not reported in the City's financial statements, because these are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for payment of these bonds.

	<u>Original Amount</u>	<u>Outstanding June 30, 2001</u>
San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds	\$ 3,590,529	\$ 3,590,529
California Statewide Communities Development Authority Revenue Bonds	5,605,000	5,605,000

10. FUND BALANCES RESERVATIONS AND DESIGNATIONS

Fund balances consist of reserved and unreserved amounts. Reserved fund balances represent that portion of a fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balances. Portions of unreserved fund balances may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

10. FUND BALANCES RESERVES AND DESIGNATIONS, Continued

A detailed schedule of the fund balances at June 30, 2001, is shown as follows:

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Reserved:						
Encumbrances	\$ 18,695	\$ 591,246	\$ -	\$ 312,125	\$ -	\$ 922,066
Petty cash	3,800	-	-	-	3,000	6,800
General plan	501,137	-	-	-	-	501,137
Department savings	401,670	-	-	-	-	401,670
Employee M.O.U.	1,602,425	-	-	-	-	1,602,425
Loans receivable	363,757	126,428	-	471,627	-	961,812
Employee benefits	618,000	-	-	-	-	618,000
Debt service	-	-	2,061,238	-	-	2,061,238
Improvement projects	190,411	677,249	-	19,447,278	-	20,314,938
Information systems projects	113,090	-	-	1,499,581	-	1,612,671
Equipment replacement	-	1,615,725	-	-	-	1,615,725
Buildings and structures	-	31,600	-	-	-	31,600
Facility closures	-	50,000	-	-	-	50,000
Assessment districts/open space	-	12,401	-	823,849	-	836,250
Mello Roos assessment	-	300,000	-	-	-	300,000
Educational Revenue Augmentation Fund	168,469	-	-	-	-	168,469
Housing	-	-	-	2,555,201	-	2,555,201
School payments	-	-	-	308,000	-	308,000
Corporation yard	-	-	-	3,076,761	-	3,076,761
Total reserved	3,981,454	3,404,649	2,061,238	28,494,422	3,000	37,944,763
Unreserved, Designated:						
Library/endowments	3,757,328	311,183	-	-	424,982	4,493,493
Public safety	-	473,635	-	-	-	473,635
Grant projects	-	133,958	-	-	-	133,958
Park projects	-	621,366	-	-	36,971	658,337
Gas tax projects	-	942,036	-	-	-	942,036
Street projects	-	1,341,881	-	-	-	1,341,881
Traffic mitigation	-	9,366,285	-	-	-	9,366,285
Total designated	3,757,328	13,190,344	-	-	461,953	17,409,625
Unreserved, Undesignated	2,427,701	670,897	-	-	-	3,098,598
Totals	\$ 10,166,483	\$ 17,265,890	\$ 2,061,238	\$ 28,494,422	\$ 464,953	\$ 58,452,986

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Recreation Revolving	\$ 1,936,545	\$ 1,973,645	\$ 37,100
Baypoint Lagoons Assessment District	26,981	45,370	18,389
Library Fund	290,662	330,693	40,031
Public Safety	155,273	191,208	35,935
Development Services	200,000	901,776	701,776
Parkland Dedication	87,270	143,771	56,501
Emergency Medical Services	2,852,169	2,950,881	98,712
Debt Service Fund:			
Peacock Gap Assessment District	271,572	285,901	14,329
Expendable Trust Fund:			
Business Improvement	52,000	53,975	1,975

12. CONTRIBUTED CAPITAL

Changes in the District's balances of contributed capital were as follows:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Depreciation</u> <u>Attributable to</u> <u>Contributed Capital</u>	<u>Balance</u> <u>June 30, 2001</u>
Component Unit:			
San Rafael Sanitation District	\$ 7,461,602	\$ (84,590)	\$ 7,377,012

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

13. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The City contributes to the Marin County Employees' Retirement Fund (Fund). All full-time and permanent part-time employees are eligible to participate.

The fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local governmental agencies within the County of Marin. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. Employees vest after five years of service and are eligible to receive retirement benefits after 10 years of service and having attained the age of 50, or 30 years of service (20 years for safety employees) regardless of age. These benefits provisions and all other requirements are established under the County Employees Retirement Law of 1937. The City's retirement plan is included in a separately issued report from the Marin County Employees' Retirement Fund, which can be obtained from William M. Mercer, Incorporated, 3 Embarcadero Center, Suite 1500, San Francisco, CA 94111-4015.

B. Funding Policy

The funding policy of the Fund provides for actuarially determined periodic contributions by the City at rates such that sufficient assets will be available to pay Fund benefits when due. The City contributed 5.02% of payroll to the Fund for public safety personnel and 4.53% for other covered employees for the year ended June 30, 2001. The City, due to a collective bargaining agreement, also has a legal obligation to contribute one-half of the employees' contribution up to a maximum of 7% of payroll for safety employees and a maximum of 5% of payroll for all other employees. Employees have an obligation to contribute the remaining portion.

C. Annual Pension Cost

The City's annual pension cost to the Fund for the year ended June 30, 2001, of \$2,187,000 was equal to the City's required and actual contributions. The annual required contribution was determined as part of the actuarial valuation performed as of June 30, 2000. The employer rates for normal cost is determined using the Entry Age Normal Actuarial Cost Method, a projected benefit cost method. It takes into account those benefits that are expected to be earned in the future as well as those already accrued. The significant assumptions used in the 2000 actuarial valuation include an assumed rate of return on investment assets of 8.25%, and annual payroll increases of 4.12% per year reflecting 4.25% for inflation and approximately 1.00% for merit and longevity. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

13. EMPLOYEES' RETIREMENT PLAN, Continued

market value of investments over a period of five years. The Fund also uses the level percentage-open method to amortize the unfunded actuarial liability which had fourteen years left in the amortization period. It is assumed that payroll increases at an annual inflation rate of 4.25% over the amortization period.

D. Three-Year Historical Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/99	\$ 2,480,000	100%	\$ -
6/30/00	2,503,855	100%	-
6/30/01	2,187,000	100%	-

14. PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLAN)

The City contributes to the Public Agency Retirement System (PARS), which is a defined contribution retirement plan. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's accounts are to be determined instead of specifying the amount of benefits the individual is to receive. The plan is administered by Phase II located at P.O. Box 10009, Costa Mesa, California 92627.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

As established by the plan, all eligible employees of the City will become a participant in the plan from the date that they are hired. An eligible employee is any employee who, at any time during which the employer maintain this plan, is not accruing a benefit under the Marin County Employees' Retirement Fund.

Contributions made by an employee and the employer vest immediately. As determined by the plan, each employee must contribute 3.75% of gross earnings to the plan. The City contributes an additional 3.75% of the employee's gross earnings.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

14. PUBLIC AGENCY RETIREMENT SYSTEM (DEFINED CONTRIBUTION RETIREMENT PLAN), Continued

During the year, the City contributed \$64,001 and employees contributed \$64,001. The total covered payroll of employees participating in the plan for the year ended June 30, 2001, was \$1,706,673. The total payroll for the year was \$28,689,408.

15. POST-EMPLOYMENT HEALTH CARE BENEFITS

The City provides certain health care benefits for retired employees and their spouses. The benefit provisions were established under the authority of the 1937 Act, Section 31450, et. seq. of the Government Code. Substantially all of the City's employees may become eligible for these benefits if they are receiving a retirement benefit from the Marin County Employees' Retirement Fund within 120 days of retirement from City employment. At June 30, 2001, 192 retirees received post-employment health care benefits. Those expenditures are reduced by reimbursements from the Marin County Retirement Office of the annual amount set forth in the County Retirement Rules and Regulations 1937 Act as amended and in Sections 31450 et. seq. of the Government Code. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. For the fiscal year ended June 30, 2001, those costs totaled \$204,668.

16. SEGMENT INFORMATION FOR ENTERPRISE FUND

The City's Enterprise Fund is comprised only of the discretely presented component unit - San Rafael Sanitation District. Segment information for the fiscal year ended June 30, 2001, is as follows:

<u>Types of goods or services provided</u>	<u>Wastewater Transmission</u>
Operating revenues	\$ 5,139,133
Depreciation and amortization expense	837,418
Operating income	709,524
Tax revenues	493,661
Nonoperating revenues (expenses)	768,054
Net income	1,477,578
Fixed asset additions	1,152,483
Net working capital	4,454,301
Total assets	27,839,355
Long-term obligations payable from operating revenues	4,427,987
Total fund equity	22,670,320

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured up to a maximum of \$500,000 for each general liability claim, \$250,000 for each workers' compensation claim, and \$25,000 for each property damage claim. The City participates in a public agency risk sharing pool (California Joint Powers Risk Management Authority) for general liability claims in excess of the self-insured amounts up to \$14,500,000. The City purchases commercial insurance for workers' compensation claims in excess of the self-insured amount up to \$9,750,000. The City also purchases commercial insurance for property damage claims in excess of the self-insured amount up to \$33,576,352. The City accounts for and finances its uninsured risks of loss in the internal service funds. The City had established a claims liability of 2,754,026 at June 30, 2001, based on the requirement of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Changes in the general and workers' compensation claims liabilities for the fiscal years ended June 30, 1999, 2000, and 2001, are as follows:

General Liability	Balance at Beginning of Fiscal Year	Current Year Claims and Changes In Estimates	Claim Payments	Balance at End of Fiscal Year
1998-99	\$ 805,634	\$ 2,009,846	\$ (2,216,282)	\$ 599,198
1999-00	599,198	252,464	(565,313)	286,349
2000-01	286,349	263,884	(365,530)	184,703

Worker's Compensation Liability	Balance at Beginning of Fiscal Year	Current Year Claims and Changes In Estimates	Claim Payments	Balance at End of Fiscal Year
1998-99	\$ 1,103,107	\$ 3,947,015	\$ (3,491,195)	\$ 1,558,927
1999-00	1,558,927	1,383,422	(830,235)	2,112,114
2000-01	2,112,114	1,410,416	(953,207)	2,569,323

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

17. RISK MANAGEMENT, Continued

The California Joint Powers Risk Management Authority - which began operations in February 1986, is a governmental self-insurance cooperative organized under a joint power agreement consisting of 23 members which represent over 120 public agencies in California. The Risk Management Authority pools self-insurance losses of charter and associate members, develops risk management programs, and provides for administration of pooled coverage claims. The City paid \$234,094 in premiums to the Risk Management Authority during the fiscal year ended June 30, 2001. Condensed financial information for the California Joint Powers Risk Management Authority for the fiscal year ended June 30, 2001, was as follows:

Assets	<u>\$ 65,276,721</u>
Liabilities	\$ 28,515,193
Equity:	
Retained earnings	<u>36,761,528</u>
Total liabilities and equity	<u>\$ 65,276,721</u>
Revenues	\$ 14,081,774
Expenses	2,181,279
Refunds to members	<u>(2,799,446)</u>
Net increase in retained earnings	<u>\$ 13,463,607</u>

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS

A. Joint Ventures

The City participates in various organizations through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts, and the right to sue and be sued. Obligations and liabilities of the separate entities are not those of the City.

The Marin County Integrated On-Line Library System (System) - was formed to provide for the procurement, ownership, operation, maintenance, and governance of an integrated on-line library system that is jointly owned and operated by the cities of San Rafael, Mill Valley, Sausalito, and the County of Marin. The Governing Board of the System consists of the library director or designated alternate of each participant in the System. In accordance with the cost sharing formula developed by the library directors of the participants, the City's

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS, Continued

share of the acquisition cost in the amount of \$108,007 represents 18.98% of ownership in the System. Operating costs for the System are also shared by each participant by applying the cost sharing formula. Financial statements of the System can be obtained at the County Librarian, Marin County Free Library, Civic Center, Administration Building, San Rafael, California 94903.

The Marin Street Light Acquisition Joint Powers Authority (MSLAJPA) - was formed by the County of Marin and twelve local agencies to acquire street light facilities, operate the facilities during the pendency of an eminent domain action against PG&E, and the subsequent transfer of the facilities to the individual local agencies. The Governing Board consists of five members from the participating agencies. Each of the local agency's share of contribution was based on the number of street lights to be acquired in the local agency's individual jurisdiction in relation to the total number of street lights to be acquired by the MSLAJPA.

The Marin Emergency Radio Authority - was formed on February 28, 1998 by the County of Marin and 25 local agencies within the County to plan, finance, implement, manage, own, and operate a County-wide public safety and emergency radio system. The Governing Board consists of one representative from each member. On February 1, 1999, the Authority issued the 1999 Revenue Bonds in the amount of \$26,940,000 with interest rates ranging from 4.75% to 5.01%, maturing on August 15, 2016, to finance the acquisition and installation of the system. The costs of maintenance, operation, and debt service will be divided on a pro rata share based on an agreed-upon formula established by a majority of the Governing Board. The members entered into a Project Operating Agreement on February 1, 1999. Under the Operating Agreement, members are obligated to contribute service payments to cover the Authority's operation and debt service. The City's portion of the obligation is 16.913%. The first operating service payment was in July 1999. The first debt service payment is scheduled for August 2002. The City has established a reserve in its internal service funds to pay future service payments.

B. Jointly Governed Organizations

The Countywide Planning Agency - was established by the County of Marin and ten local cities to implement countywide performance standards for traffic, housing, water and sewer facilities, and environmental protection to ensure that residential and commercial growth does not exceed local water, sewer and transportation capacities. The Governing Board of the Countywide Planning Agency consists of one member of the County Board of Supervisors and one member of the City Council of each participating city.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

18. JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS, Continued

The Marin County Cable Rate Regulation Joint Powers Authority - was established to regulate the rates for cable television service and equipment and to advise the participants in their exercise of their license authority. The Governing Board of the Marin County Cable Rate Regulation Joint Powers Authority consists of one member from each of the seven participating local cities.

The Marin County Major Crimes Task Force - was established by 12 local law enforcement agencies to provide funding and policy direction of a unit of peace officers and support personnel to detect, apprehend, and prosecute major crimes, including highly mobile criminal narcotic traffickers, thus reducing major narcotic activity and combating its influence throughout the County. The Governing Board of the Marin County Major Crimes Task Force consists of nine members: one city council member, one member of the Marin County Board of Supervisors, two city managers, two chief law enforcement officials, two residents of Marin County, and the Marin County Administrator.

The Marin County Hazardous and Solid Waste Joint Powers Authority - was established by the County, local cities, and waste franchising districts to finance, prepare, and implement source reduction and recycling elements on a county-wide integrated waste management plan as required by State Assembly Bill 939.

Friends of San Rafael - a California nonprofit Public Benefit Corporation - was established to help finance and accomplish the City's efforts to erect, construct and maintain public buildings, roads, monuments, plazas, parks, gardens, safety features and similar public improvements and infrastructure.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

19. SAN RAFAEL SANITATION DISTRICT

The San Rafael Sanitation District, a discretely presented component unit, condensed financial statements as of and for the year ended June 30, 2001, are presented below.

Balance Sheet

Current Assets:	
Cash and investments	\$ 5,001,698
Other current assets	193,651
Total current assets	<u>5,195,349</u>
General Fixed Assets, Net of Accumulated Depreciation	<u>22,644,006</u>
Total assets	<u><u>\$ 27,839,355</u></u>
Current Liabilities:	
Accounts and other payables	\$ 741,048
Total current liabilities	<u>741,048</u>
Long-Term Debt:	
Certificates of participation	<u>4,427,987</u>
Total long-term debt	<u>4,427,987</u>
Total liabilities	<u>5,169,035</u>
Fund Equity:	
Contributed capital	7,377,012
Retained earnings	<u>15,293,308</u>
Total fund equity	<u>22,670,320</u>
Total liabilities and fund equity	<u><u>\$ 27,839,355</u></u>

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

19. SAN RAFAEL SANITATION DISTRICT, Continued

**Statement of Revenues, Expenses and
Changes in Retained Earnings**

Operating Revenues	\$ 5,037,501
Operating Expenses:	
Sewage collection and treatment	3,388,589
Depreciation and amortization	837,418
Other operating expenses	203,602
Total operating expenses	4,429,609
Operating income	
Nonoperating revenues (expenses), net	869,686
Net income	1,477,578
Add back depreciation expense on assets acquired by contributed capital	290,598
Less contributed capital received	(206,008)
Increase in retained earnings	1,562,168
Retained earnings - July 1, 2000	13,731,140
Retained earnings - June 30, 2001	\$ 15,293,308

20. CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

21. SUBSEQUENT EVENTS

San Rafael Redevelopment Agency Variable Rate Demand Multifamily Housing Revenue Bonds - Series 2001A - Original Issue \$3,000,000

On September 19, 2001, the San Rafael Redevelopment Agency (Agency) issued Variable Rate Demand Multifamily Housing Revenue Bonds, series 2001A, in the amount of \$3,000,000. The proceeds of the bonds are used to provide financing for the acquisition and rehabilitation of a multifamily residential property located in the City. The principal on the bonds is payable upon the presentation and surrender of the bonds when due. Interest on the bonds is payable during a weekly interest rate period on the first business day of each month, commencing on October 1, 2001. The bonds are subject to mandatory tender and redemption prior to their stated maturity date. The bonds are secured by a pledge of revenues and additionally secured by an irrevocable direct pay letter of credit. Therefore, the City and Agency have no direct or contingent liability or moral obligation for the payment of the bonds.

San Rafael Redevelopment Agency Multifamily Housing Revenue Bonds, Series 2001A - Original Issue \$3,220,000

On December 3, 2001, the San Rafael Redevelopment Agency (Agency) issued Multifamily Housing Revenue Bonds, series 2001A, in the amount of \$3,220,000. The proceeds of the bonds are used to make a loan to Sanraf Associates, a California Limited Partnership, to provide financing for the acquisition and rehabilitation of a multifamily rental project located in the City and known as San Rafael Commons Apartments. The principal on the bonds is payable upon the presentation and surrender of the bonds when due. Interest on the bonds is payable during a weekly interest rate period on the first business day of each month, commencing on January 2, 2002. The bonds are subject to mandatory tender and redemption prior to their stated maturity date. The bonds are secured by a pledge of revenues and additionally secured by an irrevocable direct pay letter of credit. Therefore, the City and Agency have no direct or contingent liability or moral obligation for the payment of the bonds.

City of San Rafael
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2001

21. SUBSEQUENT EVENTS, Continued

City of San Rafael Variable Rate Revenue Bonds - Series 2001A, 2001B, and 2001C - Original Issue \$275,000,000

On November 15, 2001, the City of San Rafael issued Variable Rate Revenue Bonds, series 2001A, 2001B, and 2001C in the amount of \$275,000,000. The proceeds of the bonds are used to provide financing for the acquisition, improvement and equipping of the health facilities known as San Rafael Medical Center. The principal on the bonds is payable upon the presentation and surrender of the bonds when due. Interest on the bonds is payable during a long-term interest rate period, a Commercial Paper interest rate period, or a weekly interest rate period. The bonds are subject to mandatory tender and redemption prior to their stated maturity date. The bonds are secured by a loan agreement Kaiser Foundation Hospitals and from certain funds held under the indenture. Therefore, the City and Agency have no direct or contingent liability or moral obligation for the payment of the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Rafael
Required Supplemental Information
For the year ended June 30, 2001

MARIN COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess Assets Over AAL	Funded Ratio	Covered Payroll	Excess Assets Over AAL As a % of Payroll
6/30/98	\$131,142,000	\$124,239,000	\$ 6,903,000	106%	\$20,361,000	33.9%
6/30/99	151,466,000	134,247,000	17,219,000	113%	23,293,000	73.9%
6/30/00	171,663,000	156,806,000	14,857,000	109%	23,372,000	63.6%

* Latest information available.

SUPPLEMENTAL INFORMATION

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GENERAL FUND

The General Fund accounts for all financial resources and transactions except those required to be accounted for in other funds.

City of San Rafael
Comparative Balance Sheets
General Fund
June 30, 2001 and 2000

	2001	2000
ASSETS		
Cash and investments	\$ 5,413,876	\$ 5,753,107
Accounts receivable	558,356	198,542
Taxes receivable	4,099,949	3,261,457
Interest receivable	674,163	563,955
Loans receivable	391,088	777,078
Due from other funds	83,403	51,715
Prepaid expenses	-	10,419
Total assets	\$ 11,220,835	\$ 10,616,273
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,007,453	\$ 874,688
Developer bonds payable	46,899	23,500
Deferred revenue	-	6,075
Notes payable	-	2,500,000
Total liabilities	1,054,352	3,404,263
Fund Balances:		
Reserved:		
Encumbrances	18,695	60,267
Unrealized investment gains	29,291	-
Petty cash	3,800	3,800
General plan	501,137	600,099
Department savings	401,670	301,382
Employee M.O.U.	1,602,425	1,335,618
Loans receivable	363,757	777,078
Employee benefits	618,000	407,000
Improvement projects	190,411	264,072
Information systems projects	113,090	93,216
Educational Revenue Augmentation Fund	168,469	109,831
Unreserved, designated	3,757,328	-
Unreserved, undesignated	2,398,410	3,259,647
Total fund balances	10,166,483	7,212,010
Total liabilities and fund balances	\$ 11,220,835	\$ 10,616,273

City of San Rafael
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the years ended June 30, 2001 and 2000

	2001	2000
REVENUES:		
Taxes and special assessments	\$ 32,270,051	\$ 29,153,714
Licenses and permits	722,082	730,769
Fines and forfeitures	1,310,708	1,365,706
Use of money and property	740,760	331,685
Intergovernmental	5,105,977	5,100,520
Charges for current services	908,654	1,633,091
Other revenues	90,043	216,749
Total revenues	41,148,275	38,532,234
EXPENDITURES:		
Current:		
General government	5,402,171	5,460,614
Public safety	19,889,700	19,282,491
Public works and parks	4,788,883	4,436,507
Community development/redevelopment	1,816,471	1,611,976
Culture and recreation	1,496,042	1,443,920
Capital outlay	90,029	-
Capital improvement/special projects	378,772	2,728,934
Total expenditures	33,862,068	34,964,442
REVENUES OVER EXPENDITURES	7,286,207	3,567,792
OTHER FINANCING SOURCES (USES):		
Operating transfers in	1,413,998	1,564,125
Operating transfers out	(5,745,732)	(5,967,365)
Total other financing uses	(4,331,734)	(4,403,240)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,954,473	(835,448)
FUND BALANCES:		
Beginning of year	7,212,010	8,047,458
End of year	\$ 10,166,483	\$ 7,212,010

City of San Rafael

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes and special assessments	\$ 31,524,020	\$ 32,270,051	\$ 746,031
Licenses and permits	628,440	722,082	93,642
Fines and forfeitures	1,289,456	1,310,708	21,252
Use of money and property	411,448	740,760	329,312
Intergovernmental	4,763,719	5,105,977	342,258
Charges for current services	805,490	908,654	103,164
Other revenues	74,765	90,043	15,278
Total revenues	39,497,338	41,148,275	1,650,937
EXPENDITURES:			
Current:			
General government	5,611,413	5,402,171	209,242
Public safety	19,474,681	19,889,700	(415,019)
Public works and parks	4,562,437	4,788,883	(226,446)
Community development/redevelopment	1,928,395	1,816,471	111,924
Culture and recreation	1,623,572	1,496,042	127,530
Capital outlay	179,841	90,029	89,812
Capital improvement/special projects	946,154	378,772	567,382
Total expenditures	34,326,493	33,862,068	464,425
REVENUES OVER (UNDER) EXPENDITURES	5,170,845	7,286,207	2,115,362
OTHER FINANCING SOURCES (USES):			
Operating transfers in	1,423,998	1,413,998	(10,000)
Operating transfers out	(5,745,732)	(5,745,732)	-
Total other financing uses	(4,321,734)	(4,331,734)	(10,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 849,111	2,954,473	\$ 2,105,362
FUND BALANCES:			
Beginning of year		7,212,010	
End of year		\$ 10,166,483	

SPECIAL REVENUE FUNDS

Special Revenue Funds account for taxes and other revenues set aside in accordance with law or administrative regulation that are restricted to expenditures for specified purposes. Funds included are:

Recreation Revolving Fund - Established to administer the Recreation Department's program and facility rental charge.

Baypoint Lagoons Assessment District Fund - The Baypoint Lagoons Lighting and Landscape District was formed to protect and enhance wildlife habitat and water quality in Baypoint (Spinnaker) Lagoon and the adjacent diked salt marsh.

Parking Services Fund - Established to maintain parking garages, lots and spaces in the Downtown Parking District (established over 40 years ago), and to pay for parking enforcement, meter collection, and downtown officer services.

Gas Tax Fund - Established to receive and expend the City's allocation of the State gasoline taxes.

Childcare Fund - Established to administer and account for childcare programs at eleven sites throughout the City.

Equipment Replacement Fund - Established to facilitate the replacement of the City's fleet of vehicles and rolling equipment, plus personal computer systems, including licensing and maintenance.

Street Maintenance and Cleaning Fund - Established to maintain the City's streets, public properties and rights of way.

Sewer Maintenance Fund - Established under the terms of the JPA to provide all necessary maintenance to the Sanitation District's gravity collection sewer system.

Household Hazmat Facility Fund - Established to account for State mandated hazardous materials information, collection, and reporting. Expenditures included inspection of businesses for compliance with regulations. This fund also serves as the depository for a countywide Household Hazardous Waste Program.

Loch Lomond Assessment District Fund - Established to provide maintenance for stormwater and geotechnic mitigation facilities. A Mello Roos District was formed to fund this maintenance.

Library Fund - Established to account for restricted library activities that are intended to be self-funding.

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SPECIAL REVENUE FUNDS, Continued

Public Safety Fund - Established for special police services, which are intended to be self-funding.

Stormwater Fund - Established to provide for a self-funding storm drain maintenance program plus separate programs through the County and Bay Area to educate residents about urban runoff pollution.

Traffic and Housing Mitigation Fund - Established to maintain long-term developer deposits for major housing and street improvement projects.

Development Services Fund - Established to account for development activities that are supported by external sources of funds. This fund does not account for the operating costs of building, planning, and engineering, which are located in the General Fund.

Grants Fund - Established to account for grants for the Library, Childcare, Police, and Falkirk Cultural Center.

Parkland Dedication Fund - Established to account for long-term developer deposits used to enhance and maintain the park structure within City limits.

Emergency Medical Services Fund - Established to account for the Emergency Medical Services and Transportation program that provides services to all segments of the community.

City of San Rafael
Combining Balance Sheet
Special Revenue Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Recreation Revolving	Baypoint Lagoons Assessment District	Parking Services	Gas Tax
ASSETS				
Cash and investments	\$ 165,702	\$ 12,401	\$ 457,217	\$ 866,303
Accounts receivable	140,471	-	19,535	-
Taxes receivable	-	-	-	106,416
Grants receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 306,173</u>	<u>\$ 12,401</u>	<u>\$ 476,752</u>	<u>\$ 972,719</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,768	\$ -	\$ 7,060	\$ 30,683
Developer bonds payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	135,604	-	-	-
Total liabilities	<u>143,372</u>	<u>-</u>	<u>7,060</u>	<u>30,683</u>
Fund Balances:				
Reserved:				
Encumbrances	6,223	-	-	-
Loans receivable	-	-	-	-
Improvement projects	-	-	-	-
Equipment replacement	-	-	308,550	-
Parking equipment	-	-	-	-
Building and structures	-	-	-	-
Facility closures	-	-	-	-
Assessment districts/open space	-	12,401	-	-
Mello Roos assessment	-	-	-	-
Unreserved:				
Designated:				
Library/Endowments	-	-	-	-
Public safety	-	-	-	-
Grant projects	-	-	-	-
Park projects	-	-	-	-
Gas tax projects	-	-	-	942,036
Street projects	-	-	-	-
Traffic mitigation	-	-	-	-
Undesignated	156,578	-	161,142	-
Total fund balances	<u>162,801</u>	<u>12,401</u>	<u>469,692</u>	<u>942,036</u>
Total liabilities and fund balances	<u>\$ 306,173</u>	<u>\$ 12,401</u>	<u>\$ 476,752</u>	<u>\$ 972,719</u>

Childcare	Equipment Replacement	Street Maintenance and Cleaning	Sewer Maintenance	Household Hazmat Facility	Loch Lomond Assessment District	Library
\$ 17,298	\$ 2,487,458	\$ 638,784	\$ 45,719	\$ 223,418	\$ 401,965	\$ -
-	-	-	-	272,209	-	-
-	-	-	-	-	-	-
2,584	-	-	-	-	-	175,475
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 19,882</u>	<u>\$ 2,487,458</u>	<u>\$ 638,784</u>	<u>\$ 45,719</u>	<u>\$ 495,627</u>	<u>\$ 401,965</u>	<u>\$ 175,475</u>
\$ 18,581	\$ 602,832	\$ 23,029	\$ -	\$ 157,616	\$ -	\$ 17,457
-	-	-	-	-	-	-
-	-	-	-	-	-	78,403
-	-	-	-	-	-	-
<u>18,581</u>	<u>602,832</u>	<u>23,029</u>	<u>-</u>	<u>157,616</u>	<u>-</u>	<u>95,860</u>
-	581,951	-	-	2,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,302,675	-	-	4,500	-	-
-	-	-	-	-	-	-
-	-	-	-	31,600	-	-
-	-	-	-	50,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	300,000	-
-	-	-	-	-	-	79,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	615,755	45,719	-	-	-
-	-	-	-	-	-	-
1,301	-	-	-	249,911	101,965	-
<u>1,301</u>	<u>1,884,626</u>	<u>615,755</u>	<u>45,719</u>	<u>338,011</u>	<u>401,965</u>	<u>79,615</u>
<u>\$ 19,882</u>	<u>\$ 2,487,458</u>	<u>\$ 638,784</u>	<u>\$ 45,719</u>	<u>\$ 495,627</u>	<u>\$ 401,965</u>	<u>\$ 175,475</u>

(Continued)

City of San Rafael
Combining Balance Sheet
Special Revenue Funds, Continued
June 30, 2001
(With comparative totals for June 30, 2000)

	Public Safety	Stormwater	Traffic and Housing Mitigation	Development Services
ASSETS				
Cash and investments	\$ 44,352	\$ 750,864	\$ 9,801,414	\$ 1,440,920
Accounts receivable	15,896	-	-	-
Taxes receivable	-	-	-	-
Grants receivable	-	-	-	-
Loans receivable	-	-	91,428	-
Due from other funds	-	-	-	-
Total assets	\$ 60,248	\$ 750,864	\$ 9,892,842	\$ 1,440,920
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,226	\$ 70,457	\$ 235,129	\$ 29,436
Developer bonds payable	-	-	-	1,500
Due to other funds	-	-	200,000	732,735
Deferred revenue	-	-	-	-
Total liabilities	7,226	70,457	435,129	763,671
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Loans receivable	-	-	91,428	-
Improvement projects	-	-	-	677,249
Equipment replacement	-	-	-	-
Parking equipment	-	-	-	-
Building and structures	-	-	-	-
Facility closures	-	-	-	-
Assessment districts/open space	-	-	-	-
Mello Roos assessment	-	-	-	-
Unreserved:				
Designated:				
Library/endowments	-	-	-	-
Public safety	53,022	-	-	-
Grant projects	-	-	-	-
Park projects	-	-	-	-
Gas tax projects	-	-	-	-
Street projects	-	680,407	-	-
Traffic mitigation	-	-	9,366,285	-
Undesignated	-	-	-	-
Total fund balances	53,022	680,407	9,457,713	677,249
Total liabilities and fund balances	\$ 60,248	\$ 750,864	\$ 9,892,842	\$ 1,440,920

Grants	Parkland Dedication	Emergency Medical Services	Totals	
			2001	2000
\$ 482,901	\$ 621,366	\$ 385,619	\$ 18,843,701	\$ 16,213,100
-	-	-	448,111	611,960
-	-	-	106,416	1,207
109,916	-	-	287,975	231,066
-	21,726	-	113,154	94,286
-	35,000	-	35,000	42,654
<u>\$ 592,817</u>	<u>\$ 678,092</u>	<u>\$ 385,619</u>	<u>\$ 19,834,357</u>	<u>\$ 17,194,273</u>
\$ 155,116	\$ -	\$ 36,109	\$ 1,398,499	\$ 598,031
-	-	-	1,500	1,500
-	-	-	1,011,138	39,369
-	21,726	-	157,330	48,145
<u>155,116</u>	<u>21,726</u>	<u>36,109</u>	<u>2,568,467</u>	<u>687,045</u>
1,072	-	-	591,246	648,218
-	35,000	-	126,428	94,286
-	-	-	677,249	1,257,936
-	-	-	1,615,725	1,968,544
-	-	-	-	205,700
-	-	-	31,600	30,000
-	-	-	50,000	30,000
-	-	-	12,401	31,520
-	-	-	300,000	250,000
231,568	-	-	311,183	61,241
71,103	-	349,510	473,635	114,540
133,958	-	-	133,958	280,473
-	621,366	-	621,366	720,822
-	-	-	942,036	1,293,458
-	-	-	1,341,881	-
-	-	-	9,366,285	7,859,252
-	-	-	670,897	1,661,238
<u>437,701</u>	<u>656,366</u>	<u>349,510</u>	<u>17,265,890</u>	<u>16,507,228</u>
<u>\$ 592,817</u>	<u>\$ 678,092</u>	<u>\$ 385,619</u>	<u>\$ 19,834,357</u>	<u>\$ 17,194,273</u>

(Concluded)

City of San Rafael
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Recreation Revolving	Baypoint Lagoons Assessment District	Parking Services	Gas Tax
REVENUES:				
Taxes and special assessments	\$ -	\$ 25,330	\$ -	\$ -
Licenses and permits	-	-	108,676	-
Fines and forfeitures	-	-	-	-
Uses of money and property	6,274	921	26,347	82,907
Intergovernmental	-	-	-	1,080,248
Charges for current services	1,070,886	-	729,548	-
Other revenues	-	-	-	-
Total revenues	1,077,160	26,251	864,571	1,163,155
EXPENDITURES:				
Current:				
General government	-	-	227,486	-
Public safety	-	-	328,603	-
Public works and parks	-	45,370	96,909	83,504
Community development/redevelopment	-	-	-	-
Culture and recreation	1,954,568	-	-	-
Capital outlay	19,077	-	-	15,744
Capital improvement/special projects	-	-	-	1,015,329
Total expenditures	1,973,645	45,370	652,998	1,114,577
REVENUES OVER (UNDER) EXPENDITURES	(896,485)	(19,119)	211,573	48,578
OTHER FINANCING SOURCES (USES):				
Operating transfers in	914,268	-	-	-
Operating transfers out	-	-	(56,396)	(400,000)
Total other financing sources (uses)	914,268	-	(56,396)	(400,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	17,783	(19,119)	155,177	(351,422)
FUND BALANCES:				
Beginning of year	145,018	31,520	314,515	1,293,458
End of year	\$ 162,801	\$ 12,401	\$ 469,692	\$ 942,036

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Childcare	Equipment Replacement	Street Maintenance and Cleaning	Sewer Maintenance	Household Hazmat Facility	Loch Lomond Assessment District	Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,848	\$ -
-	-	-	-	14,035	-	-
-	-	-	-	-	-	-
1,108	192,826	68,117	12,000	29,604	20,023	48,372
258,410	-	390,261	-	11,640	-	275,466
2,093,853	955,740	408	806,796	809,908	-	25,229
-	-	-	-	-	-	-
<u>2,353,371</u>	<u>1,148,566</u>	<u>458,786</u>	<u>818,796</u>	<u>865,187</u>	<u>80,871</u>	<u>349,067</u>
-	46,138	-	-	-	-	-
-	-	-	-	882,945	-	-
-	27,432	1,855,079	742,023	-	55	-
-	-	-	-	-	-	-
2,239,685	-	-	-	-	-	330,693
14,104	1,888,269	1,467	-	21,331	-	-
-	-	783,025	-	-	-	-
<u>2,253,789</u>	<u>1,961,839</u>	<u>2,639,571</u>	<u>742,023</u>	<u>904,276</u>	<u>55</u>	<u>330,693</u>
<u>99,582</u>	<u>(813,273)</u>	<u>(2,180,785)</u>	<u>76,773</u>	<u>(39,089)</u>	<u>80,816</u>	<u>18,374</u>
-	171,000	2,118,211	-	-	-	-
(100,000)	-	-	(78,408)	-	-	-
<u>(100,000)</u>	<u>171,000</u>	<u>2,118,211</u>	<u>(78,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(418)	(642,273)	(62,574)	(1,635)	(39,089)	80,816	18,374
1,719	2,526,899	678,329	47,354	377,100	321,149	61,241
<u>\$ 1,301</u>	<u>\$ 1,884,626</u>	<u>\$ 615,755</u>	<u>\$ 45,719</u>	<u>\$ 338,011</u>	<u>\$ 401,965</u>	<u>\$ 79,615</u>

(Continued)

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue Funds, Continued

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Public Safety	Stormwater	Traffic and Housing Mitigation	Development Services
REVENUES:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	25,909	1,000	-	-
Uses of money and property	2,480	27,650	717,570	110,143
Intergovernmental	74,488	-	-	-
Charges for current services	23,746	816,583	1,715,615	210,946
Other revenues	-	-	-	-
Total revenues	126,623	845,233	2,433,185	321,089
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	120,996	-	-	-
Public works and parks	-	885,680	-	-
Community development/redevelopment	-	-	-	169,041
Culture and recreation	-	-	-	-
Capital outlay	70,212	2,681	-	732,735
Capital improvement/special projects	-	307,153	929,010	-
Total expenditures	191,208	1,195,514	929,010	901,776
REVENUES OVER (UNDER) EXPENDITURES	(64,585)	(350,281)	1,504,175	(580,687)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	20,000	773,075	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	20,000	773,075	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(44,585)	422,794	1,504,175	(580,687)
FUND BALANCES:				
Beginning of year	97,607	257,613	7,953,538	1,257,936
End of year	\$ 53,022	\$ 680,407	\$ 9,457,713	\$ 677,249

Grants	Parkland Dedication	Emergency Medical Services	Totals	
			2001	2000
\$ -	\$ -	\$ 1,938,568	\$ 2,024,746	\$ 1,670,513
-	-	-	122,711	115,236
-	-	-	26,909	80,500
31,772	59,909	8,191	1,446,214	905,905
947,670	-	-	3,038,183	3,818,343
147,124	17,658	1,561,220	10,985,260	8,956,620
-	-	-	-	478,606
<u>1,126,566</u>	<u>77,567</u>	<u>3,507,979</u>	<u>17,644,023</u>	<u>16,025,723</u>
7,573	-	-	281,197	217,481
271,917	-	2,943,539	4,548,000	4,474,113
-	-	-	3,736,052	3,171,253
-	-	-	169,041	50,095
336,320	14,224	-	4,875,490	4,740,492
40,278	-	7,342	2,813,240	486,424
585,461	129,547	-	3,749,525	5,955,837
<u>1,241,549</u>	<u>143,771</u>	<u>2,950,881</u>	<u>20,172,545</u>	<u>19,095,695</u>
<u>(114,983)</u>	<u>(66,204)</u>	<u>557,098</u>	<u>(2,528,522)</u>	<u>(3,069,972)</u>
189,226	-	-	4,185,780	4,171,529
<u>(27,000)</u>	<u>-</u>	<u>(236,792)</u>	<u>(898,596)</u>	<u>(1,349,838)</u>
<u>162,226</u>	<u>-</u>	<u>(236,792)</u>	<u>3,287,184</u>	<u>2,821,691</u>
47,243	(66,204)	320,306	758,662	(248,281)
390,458	722,570	29,204	16,507,228	16,755,509
<u>\$ 437,701</u>	<u>\$ 656,366</u>	<u>\$ 349,510</u>	<u>\$ 17,265,890</u>	<u>\$ 16,507,228</u>

(Concluded)

City of San Rafael
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Special Revenue Funds
For the year ended June 30, 2001

	Recreation Revolving			Baypoint Lagoons Assessment District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 27,500	\$ 25,330	\$ (2,170)
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Uses of money and property	3,674	6,274	2,600	400	921	521
Intergovernmental	-	-	-	-	-	-
Charges for current services	1,033,421	1,070,886	37,465	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	1,037,095	1,077,160	40,065	27,900	26,251	(1,649)
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and parks	-	-	-	26,981	45,370	(18,389)
Community development/redevelopment	-	-	-	-	-	-
Culture and recreation	1,905,333	1,954,568	(49,235)	-	-	-
Capital outlay	31,212	19,077	12,135	-	-	-
Capital improvement/special projects	-	-	-	-	-	-
Total expenditures	1,936,545	1,973,645	(37,100)	26,981	45,370	(18,389)
REVENUES OVER (UNDER) EXPENDITURES	(899,450)	(896,485)	2,965	919	(19,119)	(20,038)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	914,268	914,268	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	914,268	914,268	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 14,818	17,783	\$ 2,965	\$ 919	(19,119)	\$ (20,038)
FUND BALANCES:						
Beginning of year		145,018			31,520	
End of year		\$ 162,801			\$ 12,401	

208B

Parking Services			Gas Tax			Childcare		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114,000	108,676	(5,324)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,869	26,347	15,478	51,612	82,907	31,295	2,906	1,108	(1,798)
-	-	-	1,091,500	1,080,248	(11,252)	235,738	258,410	22,672
685,500	729,548	44,048	-	-	-	2,208,148	2,093,853	(114,295)
-	-	-	-	-	-	-	-	-
810,369	864,571	54,202	1,143,112	1,163,155	20,043	2,446,792	2,353,371	(93,421)
224,678	227,486	(2,808)	-	-	-	-	-	-
349,097	328,603	20,494	-	-	-	-	-	-
103,718	96,909	6,809	82,113	83,504	(1,391)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,307,462	2,239,685	67,777
-	-	-	-	15,744	(15,744)	28,351	14,104	14,247
-	-	-	1,470,000	1,015,329	454,671	-	-	-
677,493	652,998	24,495	1,552,113	1,114,577	437,536	2,335,813	2,253,789	82,024
132,876	211,573	78,697	(409,001)	48,578	457,579	110,979	99,582	(11,397)
-	-	-	-	-	-	-	-	-
(56,396)	(56,396)	-	(400,000)	(400,000)	-	(110,000)	(100,000)	10,000
(56,396)	(56,396)	-	(400,000)	(400,000)	-	(110,000)	(100,000)	10,000
<u>\$ 76,480</u>	155,177	<u>\$ 78,697</u>	<u>\$ (809,001)</u>	(351,422)	<u>\$ 457,579</u>	<u>\$ 979</u>	(418)	<u>\$ (1,397)</u>
	314,515			1,293,458			1,719	
	<u>\$ 469,692</u>			<u>\$ 942,036</u>			<u>\$ 1,301</u>	

/ (Continued)

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Special Revenue Funds, Continued For the year ended June 30, 2001

	Equipment Replacement			Street Maintenance and Clearing		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Uses of money and property	103,034	192,826	89,792	24,785	68,117	43,332
Intergovernmental	-	-	-	1,499,157	390,261	(1,108,896)
Charges for current services	908,436	955,740	47,304	2,300	408	(1,892)
Other revenues	-	-	-	-	-	-
Total revenues	1,011,470	1,148,566	137,096	1,526,242	458,786	(1,067,456)
EXPENDITURES:						
Current:						
General government	101,864	46,138	55,726	-	-	-
Public safety	-	-	-	-	-	-
Public works and parks	-	27,432	(27,432)	1,882,764	1,855,079	27,685
Community development/redevelopment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	2,547,551	1,888,269	659,282	5,000	1,467	3,533
Capital improvement/special projects	-	-	-	2,089,000	783,025	1,305,975
Total expenditures	2,649,415	1,961,839	687,576	3,976,764	2,639,571	1,337,193
REVENUES OVER (UNDER) EXPENDITURES	(1,637,945)	(813,273)	824,672	(2,450,522)	(2,180,785)	269,737
OTHER FINANCING SOURCES (USES):						
Operating transfers in	171,000	171,000	-	2,118,211	2,118,211	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	171,000	171,000	-	2,118,211	2,118,211	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (1,466,945)	(642,273)	\$ 824,672	\$ (332,311)	(62,574)	\$ 269,737
FUND BALANCES:						
Beginning of year		2,526,899			678,329	
End of year		<u>\$ 1,884,626</u>			<u>\$ 615,755</u>	

Sewer Maintenance			Household Hazmat Facility			Loch Lomond Assessment District		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,129	\$ 60,848	\$ 719
-	-	-	12,000	14,035	2,035	-	-	-
-	-	-	-	-	-	-	-	-
12,000	12,000	-	28,174	29,604	1,430	11,382	20,023	8,641
-	-	-	15,000	11,640	(3,360)	-	-	-
855,750	806,796	(48,954)	880,320	809,908	(70,412)	-	-	-
-	-	-	-	-	-	-	-	-
867,750	818,796	(48,954)	935,494	865,187	(70,307)	71,511	80,871	9,360
-	-	-	-	-	-	-	-	-
-	-	-	922,250	882,945	39,305	-	-	-
806,603	742,023	64,580	-	-	-	5,506	55	5,451
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	10,916	21,331	(10,415)	-	-	-
-	-	-	-	-	-	-	-	-
806,603	742,023	64,580	933,166	904,276	28,890	5,506	55	5,451
61,147	76,773	15,626	2,328	(39,089)	(41,417)	66,005	80,816	14,811
-	-	-	-	-	-	-	-	-
(78,408)	(78,408)	-	-	-	-	-	-	-
(78,408)	(78,408)	-	-	-	-	-	-	-
\$ (17,261)	(1,635)	\$ 15,626	\$ 2,328	(39,089)	\$ (41,417)	\$ 66,005	80,816	\$ 14,811
	47,354			377,100			321,149	
	\$ 45,719			\$ 338,011			\$ 401,965	

(Continued)

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Special Revenue Funds, Continued

For the year ended June 30, 2001

	Library			Public Safety		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	25,909	25,909
Uses of money and property	38,069	48,372	10,303	335	2,480	2,145
Intergovernmental	254,425	275,466	21,041	127,300	74,488	(52,812)
Charges for current services	16,000	25,229	9,229	3,700	23,746	20,046
Other revenues	-	-	-	-	-	-
Total revenues	308,494	349,067	40,573	131,335	126,623	(4,712)
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	90,273	120,996	(30,723)
Public works and parks	-	-	-	-	-	-
Community development/redevelopment	-	-	-	-	-	-
Culture and recreation	285,502	330,693	(45,191)	-	-	-
Capital outlay	5,160	-	5,160	65,000	70,212	(5,212)
Capital improvement/special projects	-	-	-	-	-	-
Total expenditures	290,662	330,693	(40,031)	155,273	191,208	(35,935)
REVENUES OVER (UNDER) EXPENDITURES	17,832	18,374	542	(23,938)	(64,585)	(40,647)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	20,000	20,000	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	20,000	20,000	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 17,832	18,374	\$ 542	\$ (3,938)	(44,585)	\$ (40,647)
FUND BALANCES:						
Beginning of year		61,241			97,607	
End of year		<u>\$ 79,615</u>			<u>\$ 53,022</u>	

Stormwater			Traffic and Housing Mitigation			Development Services		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
2,000	1,000	(1,000)	-	-	-	-	-	-
28,001	27,650	(351)	224,513	717,570	493,057	28,600	110,143	81,543
-	-	-	877,500	-	(877,500)	-	-	-
835,445	816,583	(18,862)	575,000	1,715,615	1,140,615	200,000	210,946	10,946
-	-	-	-	-	-	-	-	-
865,446	845,233	(20,213)	1,677,013	2,433,185	756,172	228,600	321,089	92,489
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
850,072	885,680	(35,608)	-	-	-	-	169,041	(169,041)
-	-	-	-	-	-	-	732,735	(732,735)
-	2,681	(2,681)	-	-	-	-	-	-
928,248	307,153	621,095	3,251,553	929,010	2,322,543	200,000	-	200,000
1,778,320	1,195,514	582,806	3,251,553	929,010	2,322,543	200,000	901,776	(701,776)
(912,874)	(350,281)	562,593	(1,574,540)	1,504,175	3,078,715	28,600	(580,687)	(609,287)
773,075	773,075	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
773,075	773,075	-	-	-	-	-	-	-
<u>\$ (139,799)</u>	422,794	<u>\$ 562,593</u>	<u>\$ (1,574,540)</u>	1,504,175	<u>\$ 3,078,715</u>	<u>\$ 28,600</u>	(580,687)	<u>\$ (609,287)</u>
	<u>257,613</u>			<u>7,953,538</u>			<u>1,257,936</u>	
	<u>\$ 680,407</u>			<u>\$ 9,457,713</u>			<u>\$ 677,249</u>	

(Continued)

City of San Rafael
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Special Revenue Funds, Continued
For the year ended June 30, 2001

	Grants			Parkland Dedication		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	80,000	-	(80,000)	-	-	-
Uses of money and property	15,484	31,772	16,288	22,943	59,909	36,966
Intergovernmental	963,437	947,670	(15,767)	-	-	-
Charges for current services	267,000	147,124	(119,876)	12,800	17,658	4,858
Other revenues	-	-	-	-	-	-
Total revenues	1,325,921	1,126,566	(199,355)	35,743	77,567	41,824
EXPENDITURES:						
Current:						
General government	7,329	7,573	(244)	-	-	-
Public safety	309,536	271,917	37,619	-	-	-
Public works and parks	-	-	-	-	-	-
Community development/redevelopment	-	-	-	-	-	-
Culture and recreation	277,419	336,320	(58,901)	13,730	14,224	(494)
Capital outlay	38,090	40,278	(2,188)	-	-	-
Capital improvement/special projects	690,281	585,461	104,820	73,540	129,547	(56,007)
Total expenditures	1,322,655	1,241,549	81,106	87,270	143,771	(56,501)
REVENUES OVER (UNDER) EXPENDITURES						
	3,266	(114,983)	(118,249)	(51,527)	(66,204)	(14,677)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	289,226	189,226	(100,000)	-	-	-
Operating transfers out	(127,000)	(27,000)	100,000	-	-	-
Total other financing sources (uses)	162,226	162,226	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	<u>\$ 165,492</u>	47,243	<u>\$ (118,249)</u>	<u>\$ (51,527)</u>	(66,204)	<u>\$ (14,677)</u>
FUND BALANCES:						
Beginning of year		<u>390,458</u>			<u>722,570</u>	
End of year		<u>\$ 437,701</u>			<u>\$ 656,366</u>	

Emergency Medical Services			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,946,000	\$ 1,938,568	\$ (7,432)	\$ 2,033,629	\$ 2,024,746	\$ (8,883)
-	-	-	126,000	122,711	(3,289)
-	-	-	82,000	26,909	(55,091)
-	8,191	8,191	606,781	1,446,214	839,433
-	-	-	5,064,057	3,038,183	(2,025,874)
1,400,000	1,561,220	161,220	9,883,820	10,985,260	1,101,440
-	-	-	-	-	-
<u>3,346,000</u>	<u>3,507,979</u>	<u>161,979</u>	<u>17,796,287</u>	<u>17,644,023</u>	<u>(152,264)</u>
-	-	-	333,871	281,197	52,674
2,823,062	2,943,539	(120,477)	4,494,218	4,548,000	(53,782)
-	-	-	3,757,757	3,736,052	21,705
-	-	-	-	169,041	(169,041)
-	-	-	4,789,446	4,875,490	(86,044)
29,107	7,342	21,765	2,760,387	2,813,240	(52,853)
-	-	-	8,702,622	3,749,525	4,953,097
<u>2,852,169</u>	<u>2,950,881</u>	<u>(98,712)</u>	<u>24,838,301</u>	<u>20,172,545</u>	<u>4,665,756</u>
493,831	557,098	63,267	(7,042,014)	(2,528,522)	4,513,492
-	-	-	4,285,780	4,185,780	(100,000)
<u>(236,792)</u>	<u>(236,792)</u>	<u>-</u>	<u>(1,008,596)</u>	<u>(898,596)</u>	<u>110,000</u>
<u>(236,792)</u>	<u>(236,792)</u>	<u>-</u>	<u>3,277,184</u>	<u>3,287,184</u>	<u>10,000</u>
<u>\$ 257,039</u>	320,306	<u>\$ 63,267</u>	<u>\$ (3,764,830)</u>	758,662	<u>\$ 4,523,492</u>
	<u>29,204</u>			<u>16,507,228</u>	
	<u>\$ 349,510</u>			<u>\$ 17,265,890</u>	

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DEBT SERVICE FUNDS

The Debt Service Funds are used for the accumulation of resources for, and the payment of, general long-term principal and interest. Funds included are:

East Francisco Boulevard Assessments District Fund - Established to accumulate funds for the payment of principal and interest. The related bonds were defeased in 1995.

Peacock Gap Assessment District Fund - Established to accumulate funds for the payment of principal and interest for the 1993 Bonds which matures in 2005. The proceeds were used to refund the 1984 Bonds, which provided for the construction of public improvements in the project area. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

1915 Act Bonds Fund - Established to account for the debt service managed by the County of Marin. The debt service relates to Lucas Valley road improvements.

Mariposa Assessment District Fund - Established to accumulate funds for the payment of principal and interest for the 1993 Bond, which matures in 2008. The proceeds were used to finance the grading and paving of Mariposa Road.

1997 Reassessment Bonds Fund - Established to account for the refunding of the 1984 Kerner Boulevard Bond, the 1986 Sun Valley Bond, and the 1991 Civic Center/Northgate Bond.

1997 Financing Authority Revenue Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1997 Revenue Bonds which matures in 2011. The proceeds were used to purchase the previously issued special assessment bonds. Financing is to be provided by property tax increments generated within the specific geographic region described by the bond assessment district.

1992 Agency Refunding Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1992 Agency Tax Allocation Refunding Bonds that matures in 2017. The proceeds of the bonds were used to refund the 1985 Bond and to fund certain public capital improvements.

1995 Agency Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1995 Agency Tax Allocation Bonds that matures in 2021.

1999 Agency Bonds Fund - Established to accumulate funds for the payment of principal and interest for the 1999 Agency Tax Allocation Bonds that matures in 2023.

City of San Rafael
Combining Balance Sheet
Debt Service Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	East Francisco Boulevard Assessments District	Peacock Gap Assessment District	1915 Act Bonds	Mariposa Assessment District
ASSETS				
Cash and investments	\$ 13,701	\$ 333,480	\$ 67,387	\$ 36,580
Taxes receivable	-	-	-	-
Total assets	<u>\$ 13,701</u>	<u>\$ 333,480</u>	<u>\$ 67,387</u>	<u>\$ 36,580</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for bond redemption	13,701	333,480	67,387	36,580
Total fund balances	<u>13,701</u>	<u>333,480</u>	<u>67,387</u>	<u>36,580</u>
Total liabilities and fund balances	<u>\$ 13,701</u>	<u>\$ 333,480</u>	<u>\$ 67,387</u>	<u>\$ 36,580</u>

1997 Reassessment Bonds	1997 Financing Authority Revenue Bonds	1992 Agency Refunding Bonds	1995 Agency Bonds	1999 Agency Bonds	Totals	
					2001	2000
\$ 2,397	\$ 976,156	\$ 48	\$ 631,489	\$ -	\$ 2,061,238	\$ 2,058,424
-	-	-	-	-	-	1,359
<u>\$ 2,397</u>	<u>\$ 976,156</u>	<u>\$ 48</u>	<u>\$ 631,489</u>	<u>\$ -</u>	<u>\$ 2,061,238</u>	<u>\$ 2,059,783</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,345
-	-	-	-	-	-	1,530
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,875</u>
2,397	976,156	48	631,489	-	2,061,238	2,054,908
2,397	976,156	48	631,489	-	2,061,238	2,054,908
<u>\$ 2,397</u>	<u>\$ 976,156</u>	<u>\$ 48</u>	<u>\$ 631,489</u>	<u>\$ -</u>	<u>\$ 2,061,238</u>	<u>\$ 2,059,783</u>

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Debt Service Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	East Francisco Boulevard Assessments District	Peacock Gap Assessment District	1915 Act Bonds	Mariposa Assessment District
REVENUES:				
Taxes and special assessments	\$ -	\$ 219,885	\$ -	\$ 24,885
Fines and forfeitures	-	-	-	-
Uses of money and property	-	14,241	-	1,525
Total revenues	-	234,126	-	26,410
EXPENDITURES:				
Debt service:				
Principal retirement	-	195,000	-	15,000
Interest and fiscal charges	-	90,901	-	10,437
Total expenditures	-	285,901	-	25,437
REVENUES OVER (UNDER) EXPENDITURES	-	(51,775)	-	973
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	(2,537)	-	(151)
Total other financing uses	-	(2,537)	-	(151)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	(54,312)	-	822
FUND BALANCES:				
Beginning of year	13,701	387,792	67,387	35,758
End of year	\$ 13,701	\$ 333,480	\$ 67,387	\$ 36,580

1997 Reassessment Bonds	1997 Financing Authority Revenue Bonds	1992 Agency Refunding Bonds	1995 Agency Bonds	1999 Agency Bonds	Totals	
					2001	2000
\$ -	\$ 691,411	\$ 1,425,661	\$ 629,978	\$ 1,497,529	\$ 4,489,349	\$ 4,480,024
-	-	-	-	-	-	20,479
-	41,031	46	21	-	56,864	37,893
-	732,442	1,425,707	629,999	1,497,529	4,546,213	4,538,396
-	396,000	480,000	200,000	500,000	1,786,000	1,875,000
-	273,356	945,661	428,449	997,529	2,746,333	2,700,668
-	669,356	1,425,661	628,449	1,497,529	4,532,333	4,575,668
-	63,086	46	1,550	-	13,880	(37,272)
-	-	-	-	-	-	1,403
-	(4,862)	-	-	-	(7,550)	(7,316)
-	(4,862)	-	-	-	(7,550)	(5,913)
-	58,224	46	1,550	-	6,330	(43,185)
2,397	917,932	2	629,939	-	2,054,908	2,098,093
\$ 2,397	\$ 976,156	\$ 48	\$ 631,489	\$ -	\$ 2,061,238	\$ 2,054,908

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Debt Service Funds (With Budgets)

For the year ended June 30, 2001

	Peacock Gap Assessment District			Mariposa Assessment District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ 222,615	\$ 219,885	\$ (2,730)	\$ 26,000	\$ 24,885	\$ (1,115)
Fines and forfeitures	-	-	-	-	-	-
Uses of money and property	20,147	14,241	(5,906)	1,652	1,525	(127)
Total revenues	242,762	234,126	(8,636)	27,652	26,410	(1,242)
EXPENDITURES:						
Debt service:						
Principal retirement	200,000	195,000	5,000	15,000	15,000	-
Interest and fiscal charges	71,572	90,901	(19,329)	10,496	10,437	59
Total expenditures	271,572	285,901	(14,329)	25,496	25,437	59
REVENUES OVER (UNDER)						
EXPENDITURES	(28,810)	(51,775)	(22,965)	2,156	973	(1,183)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(2,537)	(2,537)	-	(151)	(151)
Total other financing sources (uses)	-	(2,537)	(2,537)	-	(151)	(151)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	\$ (28,810)	(54,312)	\$ (25,502)	\$ 2,156	822	\$ (1,334)
FUND BALANCES:						
Beginning of year		387,792			35,758	
End of year		\$ 333,480			\$ 36,580	

1997 Financing Authority Revenue Bonds			1992 Agency Refunding Bonds			1995 Agency Bonds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 689,210	\$ 691,411	\$ 2,201	\$ 1,425,661	\$ 1,425,661	\$ -	\$ 629,978	\$ 629,978	\$ -
-	-	-	-	-	-	-	-	-
11,353	41,031	29,678	13,500	46	(13,454)	5,000	21	(4,979)
700,563	732,442	31,879	1,439,161	1,425,707	(13,454)	634,978	629,999	(4,979)
401,000	396,000	5,000	480,000	480,000	-	200,000	200,000	-
270,839	273,356	(2,517)	950,161	945,661	4,500	434,978	428,449	6,529
671,839	669,356	2,483	1,430,161	1,425,661	4,500	634,978	628,449	6,529
28,724	63,086	34,362	9,000	46	(8,954)	-	1,550	1,550
-	-	-	-	-	-	-	-	-
-	(4,862)	(4,862)	-	-	-	-	-	-
-	(4,862)	(4,862)	-	-	-	-	-	-
<u>\$ 28,724</u>	58,224	<u>\$ 29,500</u>	<u>\$ 9,000</u>	46	<u>\$ (8,954)</u>	<u>\$ -</u>	1,550	<u>\$ 1,550</u>
	<u>917,932</u>			<u>2</u>			<u>629,939</u>	
	<u>\$ 976,156</u>			<u>\$ 48</u>			<u>\$ 631,489</u>	

(Continued)

City of San Rafael

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Debt Service Funds (With Budgets), Continued

For the year ended June 30, 2001

	1999 Agency Bonds			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
REVENUES:						
Taxes and special assessments	\$ 1,515,861	\$ 1,497,529	\$ (18,332)	\$ 4,509,325	\$ 4,489,349	\$ (19,976)
Fines and forfeitures	-	-	-	-	-	-
Uses of money and property	-	-	-	51,652	56,864	5,212
Total revenues	<u>1,515,861</u>	<u>1,497,529</u>	<u>(18,332)</u>	<u>4,560,977</u>	<u>4,546,213</u>	<u>(14,764)</u>
EXPENDITURES:						
Debt service:						
Principal retirement	500,000	500,000	-	1,796,000	1,786,000	10,000
Interest and fiscal charges	1,015,861	997,529	18,332	2,753,907	2,746,333	7,574
Total expenditures	<u>1,515,861</u>	<u>1,497,529</u>	<u>18,332</u>	<u>4,549,907</u>	<u>4,532,333</u>	<u>17,574</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,070</u>	<u>13,880</u>	<u>2,810</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	(7,550)	(7,550)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,550)</u>	<u>(7,550)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 11,070</u>	<u>6,330</u>	<u>\$ (4,740)</u>
FUND BALANCES:						
Beginning of year		<u>-</u>			<u>1,971,423</u>	
End of year		<u>\$ -</u>			<u>\$ 1,977,753</u>	

(Concluded)

CAPITAL PROJECTS FUNDS

Capital Projects Funds were established for all resources used for the acquisition and improvement of capital facilities of the City. Funds included are:

Open Space Fund - Established for the acquisition of open space.

Capital Improvement Fund - Established for the costs associated with major capital improvement projects not tied to specific funds elsewhere. Improvements could include medians, parkways, sidewalks, and other public assets.

Bedroom Tax Fund - Established to collect funds from multiple-unit housing used to pay for maintaining and developing parks within local neighborhoods.

Assessment Districts Fund - Established to account for ongoing construction and improvement needs within the following assessment districts: Peacock Gap, Kerner Boulevard, Sun Valley/Lucas Valley Open Space, East San Rafael Drainage Assessment Districts 1 and 2, East Francisco Boulevard, and Bahia de Rafael.

Park Capital Projects Fund - Established to account for capital improvements for all City owned parks, whether paid for by City funds, grants, donations, or partnerships with the community.

1985 Capital Project and Administration Fund - Established to account for all financial resources related to project planning, support services, and economic development efforts for the Redevelopment Agency except those required to be accounted for in the Low and Moderate Income Housing Fund by law.

Low and Moderate Income Housing Fund - Established to account for the 20% set-aside required by the State for low and moderate income housing projects of the Redevelopment Agency.

1992 Bonds Capital Project Fund - Established to account for additional major capital projects of the Redevelopment Agency's 1992 refunding project bond.

1995 Bonds Capital Project Fund - Established to account for major capital projects of the Redevelopment Agency's 1995 project bond, such as the Lindero Street Undergrounding and Corporation Yard relocation.

1999 Bonds Capital Project Fund - Established to account for new capital projects of the Redevelopment Agency's 1999 project bond, such as capital needs at the local schools and colleges, utility undergrounding along West Francisco and renovation of the Pickleweed Community Center Fields.

City of San Rafael
Combining Balance Sheet
Capital Projects Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Open Space	Capital Improvement	Bedroom Tax	Assessment Districts	Park Capital Projects
ASSETS					
Cash and investments	\$ 600,175	\$ 5,707,572	\$ 109,222	\$ 223,674	\$ 70,507
Accounts receivable	-	194,488	-	-	5,453
Taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Loans receivable	-	-	-	-	40,000
Due from other funds	-	-	19,931	-	-
Total assets	\$ 600,175	\$ 5,902,060	\$ 129,153	\$ 223,674	\$ 115,960
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 216,191	\$ -	\$ -	\$ -
Developer bonds payable	-	-	-	-	-
Arbitrage payable	-	-	-	-	-
Due to other funds	-	-	-	-	59,931
Deferred revenue	-	-	-	-	40,000
Total liabilities	-	216,191	-	-	99,931
Fund Balances:					
Reserved:					
Encumbrances	-	8,400	-	-	-
Loans receivable	-	-	-	-	-
Improvement projects	-	1,995,977	129,153	-	16,029
Information system projects	-	1,499,581	-	-	-
Assessment districts/open space	600,175	-	-	223,674	-
Arbitrage payments	-	-	-	-	-
Housing	-	-	-	-	-
School payments	-	-	-	-	-
Corporation yard	-	2,181,911	-	-	-
Total fund balances	600,175	5,685,869	129,153	223,674	16,029
Total liabilities and fund balances	\$ 600,175	\$ 5,902,060	\$ 129,153	\$ 223,674	\$ 115,960

1985 Capital Project and Administration	Low and Moderate Income Housing	1992 Bonds Capital Project	1995 Bonds Capital Project	1999 Bonds Capital Project	Totals	
					2001	2000
\$ 255,438	\$ 1,735,167	\$ 547,950	\$ 944,499	\$ 16,366,109	\$ 26,560,313	\$ 27,464,935
-	-	-	495,000	-	694,941	173,642
-	945,608	-	-	-	945,608	933,363
-	20,663	-	-	26,487	47,150	87,402
-	451,696	-	-	-	491,696	325,536
-	200,000	-	732,735	-	952,666	305,716
<u>\$ 255,438</u>	<u>\$ 3,353,134</u>	<u>\$ 547,950</u>	<u>\$ 2,172,234</u>	<u>\$ 16,392,596</u>	<u>\$ 29,692,374</u>	<u>\$ 29,290,594</u>
\$ 39,166	\$ 44,394	\$ 4,113	\$ 147,911	\$ 282,379	\$ 734,154	\$ 658,266
25,000	-	-	-	-	25,000	25,000
-	-	-	-	338,867	338,867	-
-	-	-	-	-	59,931	359,186
-	-	-	-	-	40,000	41,020
<u>64,166</u>	<u>44,394</u>	<u>4,113</u>	<u>147,911</u>	<u>621,246</u>	<u>1,197,952</u>	<u>1,083,472</u>
1,882	301,843	-	-	-	312,125	68,879
-	451,696	-	-	-	451,696	325,536
189,390	-	543,837	1,129,473	15,463,350	19,467,209	12,742,281
-	-	-	-	-	1,499,581	824,193
-	-	-	-	-	823,849	832,965
-	-	-	-	-	-	77,150
-	2,555,201	-	-	-	2,555,201	2,967,670
-	-	-	-	308,000	308,000	3,900,068
-	-	-	894,850	-	3,076,761	6,468,380
<u>191,272</u>	<u>3,308,740</u>	<u>543,837</u>	<u>2,024,323</u>	<u>15,771,350</u>	<u>28,494,422</u>	<u>28,207,122</u>
<u>\$ 255,438</u>	<u>\$ 3,353,134</u>	<u>\$ 547,950</u>	<u>\$ 2,172,234</u>	<u>\$ 16,392,596</u>	<u>\$ 29,692,374</u>	<u>\$ 29,290,594</u>

City of San Rafael
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Funds
For the year ended June 30, 2001
(With comparative totals for the year ended June 30, 2000)

	Open Space	Capital Improvement	Bedroom Tax	Assessment Districts	Park Capital Projects
REVENUES:					
Taxes and special assessments	\$ -	\$ -	\$ 23,975	\$ -	\$ -
Uses of money and property	47,784	371,591	5,030	-	4,768
Intergovernmental	-	348,988	-	-	-
Charges for current services	-	-	-	-	-
Other revenues	-	2,625,895	6,020	-	488
Total revenues	47,784	3,346,474	35,025	-	5,256
EXPENDITURES:					
Current:					
Public works	-	144,820	-	-	-
Community development/redevelopment	-	-	-	-	-
Capital outlay	-	14,332	-	-	-
Capital improvement/special projects	-	1,162,483	-	-	-
Total expenditures	-	1,321,635	-	-	-
REVENUES OVER (UNDER) EXPENDITURES					
	47,784	2,024,839	35,025	-	5,256
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	349,000	-	-	-
Operating transfers out	-	-	-	(56,900)	-
Total other financing sources (uses)	-	349,000	-	(56,900)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES					
	47,784	2,373,839	35,025	(56,900)	5,256
FUND BALANCES:					
Beginning of year	552,391	3,312,030	94,128	280,574	10,773
Residual equity transfers out	-	-	-	-	-
End of year	\$ 600,175	\$ 5,685,869	\$ 129,153	\$ 223,674	\$ 16,029

1985 Capital Project and Administration	Low and Moderate Income Housing	1992 Bonds Capital Project	1995 Bonds Capital Project	1999 Bonds Capital Project	Totals	
					2001	2000
\$ -	\$ 945,608	\$ -	\$ -	\$ -	\$ 969,583	\$ 963,013
-	218,030	-	-	1,073,240	1,720,443	1,312,052
-	200,000	-	495,000	-	1,043,988	107,586
125,893	-	-	-	-	125,893	310
100,127	67,643	-	983,325	793,145	4,576,643	6,296,756
226,020	1,431,281	-	1,478,325	1,866,385	8,436,550	8,679,717
-	-	-	-	-	144,820	-
944,984	154,311	30,560	-	338,867	1,468,722	1,252,815
6,068	-	-	-	-	20,400	-
-	1,261,436	-	1,576,928	2,806,561	6,807,408	10,794,543
951,052	1,415,747	30,560	1,576,928	3,145,428	8,441,350	12,047,358
(725,032)	15,534	(30,560)	(98,603)	(1,279,043)	(4,800)	(3,367,641)
901,456	-	220,000	-	-	1,470,456	2,109,528
-	-	-	(220,000)	(901,456)	(1,178,356)	(1,009,335)
901,456	-	220,000	(220,000)	(901,456)	292,100	1,100,193
176,424	15,534	189,440	(318,603)	(2,180,499)	287,300	(2,267,448)
14,848	3,293,206	354,397	2,342,926	17,951,849	28,207,122	31,767,822
-	-	-	-	-	-	(1,293,252)
\$ 191,272	\$ 3,308,740	\$ 543,837	\$ 2,024,323	\$ 15,771,350	\$ 28,494,422	\$ 28,207,122

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost reimbursement basis. Funds included are:

Building Maintenance Fund - Established to account for construction projects and cyclical large dollar maintenance tasks (i.e., roof, painting) completed on City owned buildings.

Liability Insurance Fund - Established to maintain sufficient reserves for outstanding claims. All costs associated with liability premiums are paid from this fund.

Workers' Compensation Fund - Established to maintain sufficient reserves for injury claims. All costs associated with workers' compensation, including safety training, wellness programs, claim expenses, and insurance premiums are paid from this fund.

Dental Insurance Fund - Established to maintain sufficient reserves for dental claims. All costs associated with dental claims and administration are paid from this fund.

Radio Replacement Fund - Established to maintain sufficient reserves for radio replacement and pays for operating and debt service to MERA.

City of San Rafael
Combining Balance Sheet
Internal Service Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Building Maintenance	Liability Insurance	Workers' Compensation	Dental Insurance
ASSETS				
Cash and investments	\$ 1,280,870	\$ 1,161,128	\$ 3,139,538	\$ 34,692
Total assets	\$ 1,280,870	\$ 1,161,128	\$ 3,139,538	\$ 34,692
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 47,317	\$ 19,123	\$ 7,671	\$ 1,728
Insurance claims payable	-	184,703	2,569,323	-
Total liabilities	47,317	203,826	2,576,994	1,728
Fund Equity:				
Retained earnings:				
Unreserved	1,233,553	957,302	562,544	32,964
Total fund equity	1,233,553	957,302	562,544	32,964
Total liabilities and equity	\$ 1,280,870	\$ 1,161,128	\$ 3,139,538	\$ 34,692

Radio Replacement	Totals	
	2001	2000
\$ 1,796,520	\$ 7,412,748	\$ 5,660,428
\$ 1,796,520	\$ 7,412,748	\$ 5,660,428
\$ -	\$ 75,839	\$ 8,076
-	2,754,026	2,398,463
-	2,829,865	2,406,539
1,796,520	4,582,883	3,253,889
1,796,520	4,582,883	3,253,889
\$ 1,796,520	\$ 7,412,748	\$ 5,660,428

City of San Rafael

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Internal Service Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Building Maintenance	Liability Insurance	Workers' Compensation	Dental Insurance
OPERATING REVENUES:				
Charges for current services	\$ 563,257	\$ 810,744	\$ 1,123,705	\$ 337,912
Refunds	-	70,513	26,877	(1,830)
Total operating revenues	563,257	881,257	1,150,582	336,082
OPERATING EXPENSES:				
Contract services	28,201	-	-	-
Insurance premiums and claims	-	737,241	1,574,291	331,570
Capital outlay	4,434	-	-	-
Capital improvement projects	226,515	-	-	-
Total operating expenses	259,150	737,241	1,574,291	331,570
OPERATING INCOME	304,107	144,016	(423,709)	4,512
NONOPERATING REVENUES:				
Operating transfers in	450,000	-	400,000	-
Operating transfers out	-	(90,000)	-	-
Investment income	49,145	89,309	127,841	909
Total nonoperating revenues	499,145	(691)	527,841	909
NET INCOME	803,252	143,325	104,132	5,421
RETAINED EARNINGS:				
Beginning of year	430,301	813,977	458,412	27,543
Residual equity transfers in	-	-	-	-
End of year	\$ 1,233,553	\$ 957,302	\$ 562,544	\$ 32,964

Radio Replacement	Totals	
	2001	2000
\$ 269,159	\$ 3,104,777	\$ 3,398,451
-	95,560	73,013
<u>269,159</u>	<u>3,200,337</u>	<u>3,471,464</u>
87,705	115,906	94,258
-	2,643,102	2,555,622
-	4,434	-
-	226,515	158,112
<u>87,705</u>	<u>2,989,957</u>	<u>2,807,992</u>
181,454	210,380	663,472
-	850,000	487,269
-	(90,000)	-
<u>91,410</u>	<u>358,614</u>	<u>188,671</u>
<u>91,410</u>	<u>1,118,614</u>	<u>675,940</u>
272,864	1,328,994	1,339,412
1,523,656	3,253,889	621,225
-	-	1,293,252
<u>\$ 1,796,520</u>	<u>\$ 4,582,883</u>	<u>\$ 3,253,889</u>

City of San Rafael
Combining Statement of Cash Flows
Internal Service Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Building Maintenance	Liability Insurance	Workers' Compensation	Dental Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 304,107	\$ 144,016	\$ (423,709)	\$ 4,512
Change in current assets and liabilities:				
Accounts payable	47,317	12,329	6,389	1,728
Insurance claims payable	-	(101,646)	457,209	-
Net cash provided by operating activities	351,424	54,699	39,889	6,240
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	450,000	-	400,000	-
Operating transfers out	-	(90,000)	-	-
Residential equity transfers from other funds	-	-	-	-
Net cash provided by noncapital financing activities	450,000	(90,000)	400,000	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	49,145	89,309	127,841	909
Net cash provided by investing activities	49,145	89,309	127,841	909
Net increase in cash and investments	850,569	54,008	567,730	7,149
CASH AND INVESTMENTS:				
Beginning of year	430,301	1,107,120	2,571,808	27,543
End of year	\$ 1,280,870	\$ 1,161,128	\$ 3,139,538	\$ 34,692

Radio Replacement	Totals	
	2001	2000
\$ 181,454	\$ 210,380	\$ 663,472
-	67,763	(12,026)
-	355,563	240,338
181,454	633,706	891,784
-	850,000	487,269
-	(90,000)	-
-	-	1,293,252
-	760,000	1,780,521
91,410	358,614	188,671
91,410	358,614	188,671
272,864	1,752,320	2,860,976
1,523,656	5,660,428	2,799,452
\$ 1,796,520	\$ 7,412,748	\$ 5,660,428

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EXPENDABLE TRUST FUNDS

Trust and Agency funds account for assets held by the City in a trustee capacity or as an agent for individual, private organizations, and other governmental units. Funds included are:

Business Improvement Fund - Established to account for activities held in Downtown San Rafael, such as the Farmers Market.

Library Fiduciary Fund - Established to account for various memorial funds including the Davidson Bequest, which the City Council allocates annual amounts to purchase additional library books.

Recreation Fiduciary Fund - Established to account for the Recreation Memorial Fund.

City of San Rafael
Combining Balance Sheet
Expendable Trust Funds
June 30, 2001

(With comparative totals for June 30, 2000)

	Expendable Trust Funds			Totals	
	Business Improvement	Library Fiduciary	Recreation Fiduciary	2001	2000
ASSETS					
Cash and investments	\$ 7,573	\$ 429,575	\$ 32,398	\$ 469,546	\$ 450,864
Total assets	\$ 7,573	\$ 429,575	\$ 32,398	\$ 469,546	\$ 450,864
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 4,593	\$ -	\$ 4,593	\$ 116
Total liabilities	-	4,593	-	4,593	116
Fund Balances:					
Reserved:					
Petty cash	3,000	-	-	3,000	3,000
Unreserved, designated for:					
Library/endowments	-	424,982	-	424,982	406,916
Park projects	4,573	-	32,398	36,971	40,832
Total fund balances	7,573	424,982	32,398	464,953	450,748
Total liabilities and fund balances	\$ 7,573	\$ 429,575	\$ 32,398	\$ 469,546	\$ 450,864

City of San Rafael

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Expendable Trust Funds

For the year ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Expendable Trust Funds			Totals	
	Business Improvement	Library Fiduciary	Recreation Fiduciary	2001	2000
REVENUES:					
Uses of money and property	\$ 921	\$ 22,894	\$ 1,797	\$ 25,612	\$ 29,044
Intergovernmental	35,000	-	-	35,000	35,000
Other revenues	16,761	1,000	-	17,761	22,117
Total revenues	52,682	23,894	1,797	78,373	86,161
EXPENDITURES:					
Current:					
General government	53,975	-	-	53,975	47,764
Culture and recreation	-	5,828	4,365	10,193	33,094
Total expenditures	53,975	5,828	4,365	64,168	80,858
REVENUES OVER (UNDER) EXPENDITURES	(1,293)	18,066	(2,568)	14,205	5,303
FUND BALANCES:					
Beginning of year	8,866	406,916	34,966	450,748	445,445
End of year	\$ 7,573	\$ 424,982	\$ 32,398	\$ 464,953	\$ 450,748

City of San Rafael

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Expendable Trust Funds (With Budgets)

For the year ended June 30, 2001

	Business Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Uses of money and property	\$ -	\$ 921	\$ 921
Intergovernmental	35,000	35,000	-
Other revenues	17,000	16,761	(239)
Total revenues	52,000	52,682	682
EXPENDITURES:			
Current:			
General government	52,000	53,975	(1,975)
Culture and recreation	-	-	-
Total expenditures	52,000	53,975	(1,975)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	(1,293)	\$ (1,293)
FUND BALANCES:			
Beginning of year		8,866	
End of year		\$ 7,573	

Library Fiduciary			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 22,210	\$ 22,894	\$ 684	\$ 22,210	\$ 23,815	\$ 1,605
-	-	-	35,000	35,000	-
-	1,000	1,000	17,000	17,761	761
<u>22,210</u>	<u>23,894</u>	<u>1,684</u>	<u>74,210</u>	<u>76,576</u>	<u>2,366</u>
-	-	-	52,000	53,975	(1,975)
30,960	5,828	25,132	30,960	5,828	25,132
<u>30,960</u>	<u>5,828</u>	<u>25,132</u>	<u>82,960</u>	<u>59,803</u>	<u>23,157</u>
<u><u>\$ (8,750)</u></u>	18,066	<u><u>\$ 26,816</u></u>	<u><u>\$ (8,750)</u></u>	16,773	<u><u>\$ 25,523</u></u>
	<u>406,916</u>			<u>415,782</u>	
	<u><u>\$ 424,982</u></u>			<u><u>\$ 432,555</u></u>	

