

CITY OF LAGUNA WOODS  
Laguna Woods, California

General Purpose Financial Statements  
And Supplemental Data

Year ended June 30, 2000

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CITY OF LAGUNA WOODS  
General Purpose Financial Statements  
and Supplemental Data

Year ended June 30, 2000

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CITY OF LAGUNA WOODS  
General Purpose Financial Statements  
and Supplemental Data

Year ended June 30, 2000

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The Honorable Mayor and City Council  
City of Laguna Woods  
Laguna Woods, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the City of Laguna Woods, California, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Laguna Woods, California. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Laguna Woods, California as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion of the general purpose financial statements taken as a whole. The combining, individual funds, and individual account group financial statements and schedules listed in the table of contents as supplemental data are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Laguna Woods, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2001 on our consideration of the City of Laguna Woods' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Conrad and Associates, L.L.P.*

January 4, 2001

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CITY OF LAGUNA WOODS  
Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 2000

	Governmental Fund Types		Fiduciary Fund Type	Account Groups		(Memorandum Only)
	General	Special Revenue	Agency	General Fixed Assets	General Long-Term Debt	Totals
<u>Assets and Other Debits</u>						
Assets:						
Cash and investments (note2)	\$2,474,764	1,155,420	56,579	-	-	3,686,763
Receivables:						
Accounts	63,582	-	-	-	-	63,582
Taxes	98,884	-	-	-	-	98,884
Interest	38,111	15,021	-	-	-	53,132
Due from other governments	358,013	167,313	-	-	-	525,326
Prepaid items	19,765	-	-	-	-	19,765
General fixed assets (note 3)	-	-	-	53,340	-	53,340
Other debits:						
Amount to be provided for the retirement of long-term debt	-	-	-	-	19,889	19,889
Total assets and other debits	<u>\$3,053,119</u>	<u>1,337,754</u>	<u>56,579</u>	<u>53,340</u>	<u>19,889</u>	<u>4,520,681</u>
<u>Liabilities, Equity and Other Credits</u>						
Liabilities:						
Accounts payable	\$ 632,201	43,820	-	-	-	676,021
Accrued liabilities	11,640	-	-	-	-	11,640
Deposits payable	-	-	56,579	-	-	56,579
Deferred revenue	98,884	-	-	-	-	98,884
Compensated absences (note 4)	-	-	-	-	19,889	19,889
Total liabilities	<u>742,725</u>	<u>43,820</u>	<u>56,579</u>	<u>-</u>	<u>19,889</u>	<u>863,013</u>
Equity and other credits:						
Investment in general fixed assets	-	-	-	53,340	-	53,340
Fund balances (note 6):						
Reserved	156,809	-	-	-	-	156,809
Unreserved, designated	-	1,293,934	-	-	-	1,293,934
Unreserved, undesignated	<u>2,153,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,153,585</u>
Total equity and other credits	<u>2,310,394</u>	<u>1,293,934</u>	<u>-</u>	<u>53,340</u>	<u>-</u>	<u>3,657,668</u>
Total liabilities, equity and other credits	<u>\$3,053,119</u>	<u>1,337,754</u>	<u>56,579</u>	<u>53,340</u>	<u>19,889</u>	<u>4,520,681</u>

See accompanying notes to financial statements.

# CITY OF LAGUNA WOODS

## Combined Statement of Revenues, Expenditures and Changes to Fund Balances - All Governmental Fund Types

Year ended June 30, 2000

	General	Special Revenue	Totals (Memorandum Only)
Revenues:			
Taxes	\$ 51,723	-	51,723
Intergovernmental	3,081,292	1,138,836	4,220,128
Franchise fees	243,126	-	243,126
Licenses and permits	142,265	-	142,265
Charges for services	219,808	-	219,808
Fines and forfeitures	3,657	-	3,657
Investment income	65,142	26,397	91,539
	<u>3,807,013</u>	<u>1,165,233</u>	<u>4,972,246</u>
Total revenues			
Expenditures:			
Current:			
General government	1,043,135	-	1,043,135
Public works	203,948	145,548	349,496
Public safety	699,665	-	699,665
Community development	378,991	16,636	395,627
Capital outlay	55,174	-	55,174
	<u>2,380,913</u>	<u>162,184</u>	<u>2,543,097</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	1,426,100	1,003,049	2,429,149
Fund balances at beginning of year	<u>884,294</u>	<u>290,885</u>	<u>1,175,179</u>
Fund balances at end of year	<u>\$ 2,310,394</u>	<u>1,293,934</u>	<u>3,604,328</u>

See accompanying notes to financial statements.

CITY OF LAGUNA WOODS

Combined Statement of Revenues, Expenditures and Changes to Fund Balances -  
Budget and Actual - All Governmental Fund Types

Year ended June 30, 2000

	General Fund			Special Revenue Funds		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:						
Taxes	\$ 125,000	51,723	(73,277)	-	-	-
Intergovernmental	2,745,500	3,081,292	335,792	1,103,300	1,138,836	35,536
Franchise fees	271,120	243,126	(27,994)	-	-	-
Licenses and permits	-	142,265	142,265	-	-	-
Charges for services	236,000	219,808	(16,192)	-	-	-
Fines and forfeitures	24,000	3,657	(20,343)	-	-	-
Investment income	60,000	65,142	5,142	23,500	26,397	2,897
Total revenues	<u>3,461,620</u>	<u>3,807,013</u>	<u>345,393</u>	<u>1,126,800</u>	<u>1,165,233</u>	<u>38,433</u>
Expenditures:						
Current:						
General government	1,154,989	1,043,135	111,854	-	-	-
Public works	149,000	203,948	(54,948)	486,000	145,548	340,452
Public safety	722,200	699,665	22,535	-	-	-
Community development	379,000	378,991	9	105,000	16,636	88,364
Capital outlay	55,925	55,174	751	-	-	-
Total expenditures	<u>2,461,114</u>	<u>2,380,913</u>	<u>80,201</u>	<u>591,000</u>	<u>162,184</u>	<u>428,816</u>
Excess (deficiency) of revenues over (under) expenditures	1,000,506	1,426,100	425,594	535,800	1,003,049	467,249
Fund balances at beginning of year	<u>884,294</u>	<u>884,294</u>	<u>-</u>	<u>290,885</u>	<u>290,885</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,884,800</u>	<u>2,310,394</u>	<u>425,594</u>	<u>826,685</u>	<u>1,293,934</u>	<u>467,249</u>

See accompanying notes to financial statements.

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# CITY OF LAGUNA WOODS

## Notes to Financial Statements

Year Ended June 30, 2000

### (1) Summary of Significant Accounting Policies

#### (a) Reporting Entity

The City of Laguna Woods was incorporated March 24, 1999 under the general laws of the State of California. The City operates under the Council-Manager form of government.

The City provides the following services as authorized by its general laws: public safety, public works, community development and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments.

#### (b) Fund Accounting

The basic accounting and reporting entity is a "fund". A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accounting records of the City are organized on the basis of funds and account groups classified for reporting purposes as follows:

#### GOVERNMENTAL FUNDS

##### General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.

##### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (1) Summary of Significant Accounting Policies, (Continued)

#### FIDUCIARY FUND

##### Agency Fund

The Agency Fund is used to account for assets held by the City in an agency capacity for individuals, private businesses, and other governmental agencies.

#### ACCOUNT GROUPS

##### General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for the cost of fixed assets acquired to perform general government functions.

Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed asset account group. Fixed asset records include estimates of original historical cost as determined by knowledgeable individuals in the City. Contributed fixed assets are recorded in general fixed assets at fair market value at the time received. Fixed assets acquired under a capital lease are recorded at the net present value of future lease payments.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

##### General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for all long-term debt of the City.

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (1) Summary of Significant Accounting Policies, (Continued)

#### (c) Measurement Focus and Basis of Accounting

Governmental (general and special revenue) fund types are accounted for on a "spending measurement focus. Accordingly, only current assets and current liabilities are included on their balance sheets. The reported fund balance provides an indication of available, spendable resources. Operating statements for governmental fund types report increases (revenues) and decreases (expenditures) in available spendable resources.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are susceptible to accrual when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when a current liability is incurred. Liabilities are considered current when they are normally expected to be liquidated with expendable available financial resources.

Taxes, subventions, taxpayer assessed taxes, and entitlements held at year-end by an intermediary collecting government are recognized as revenue under the modified accrual basis of accounting. Reimbursement grant revenues are recognized when the related expenditures are incurred. Revenues from the use of money and property are recorded when earned.

Material delinquent and total uncollected current year property taxes (net of estimated uncollectibles) are recorded as current year receivables. Property taxes (net of estimated uncollectibles) that are levied and measurable in the current year, but not available to finance current period expenditures, are recorded as a receivable and as deferred revenues. The deferred revenues are recognized as revenue in the fiscal year in which they become available.

Licenses, permits, fines, forfeits, charges for services, and miscellaneous revenues are recorded as governmental fund revenues when received in cash because they are generally not measurable until actually received.

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (1) Summary of Significant Accounting Policies, (Continued)

#### (d) Budgetary Data

The City Manager shall prepare and submit the proposed annual budget to the City Council for its approval for all governmental funds. City Council reviews the proposed budget during two separate public workshops and two separate regular City Council meetings. The budget is legally enacted by means of a budget resolution passed by the City Council. Upon final adoption, the budget shall be in effect for the ensuing fiscal year.

The level of budgetary control (this is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. City Council approval is required for any budget revisions that affect total appropriations within each fund.

Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process. Open encumbrances are recorded as reservations of fund balance since the commitments will be paid by subsequent year's budget appropriations. Encumbrances to not constitute expenditures or liabilities of the City.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year. The original budget for the General Fund and the Gas Tax Fund increased by \$247,725 and \$125,500 respectively, through amendments approved by the City Council.

#### (e) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.



# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (1) Summary of Significant Accounting Policies, (Continued)

#### (f) Due from Other Governments

The amounts recorded as a receivable due from other governments include sales taxes, gas taxes, Measure M revenue and grant revenues, collected or provided by Federal, State, County and City governments and unremitted to the City as of June 30, 2000. The County of Orange assesses, bills, and collects property taxes for the City.

#### (g) Compensated Absences

Permanent, full-time City employees earn 10 vacation days a year and 12 sick days a year. The City accounts for compensated absences in accordance with GASB Statement No. 16. In governmental funds, compensated absences are recorded as expenditures in the year paid, and it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the general long-term debt account group.

#### (h) Claims and Judgments

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired or a material liability has been incurred prior to year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

#### (i) Memorandum Only Totals

Columns on the combined financial statements captioned "Totals (Memorandum Only)" are not necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles, but are presented as additional analytical data. Interfund balances and transactions have not been eliminated and the columns do not present consolidated financial information.

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (2) Cash and Investments

Cash and investments held by the City at June 30, 2000 consisted of the following:

Petty cash	\$ 778
Demand deposits	222,915
State Treasurer's Investment Pool (LAIF)	<u>3,463,070</u>
Total cash and investments held by City	<u>\$3,686,763</u>

The City is generally authorized under Section 53601 of the Government Code and the City's investment policy to invest in: FDIC insured accounts and the Local Agency Investment Fund of the State of California.

Under the California Government Code, a financial institution is required to secure deposits made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Deposits of cities and other state or local governments are classified in three categories to give an indication of the level of custodial risk assumed by the entity. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 2 also includes deposits collateralized by an interest in an undivided collateral pool held by an authorized Agent of the Depository and subject to certain regulatory requirements under State law. Category 3 includes deposits collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. Category 3 also includes any uncollateralized deposits.

Deposits held by the City as of June 30, 2000 are classified in risk categories as follows:

<u>Form of Deposit</u>	<u>Category</u>			<u>Bank Balance</u>	<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Deposits held by City:					
Demand deposits	<u>\$100,000</u>	<u>539,373</u>	<u>-</u>	<u>639,373</u>	<u>222,915</u>
Total deposits	<u>\$100,000</u>	<u>539,373</u>	<u>-</u>	<u>639,373</u>	<u>222,915</u>

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (2) Cash and Investments, (Continued)

Investments of cities and other state or local governments are classified in three categories to give an indication of the level of custodial risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or the City's custodial agent (which must be a different institution other than the party through which the City purchased the securities) in the City's name. Investments held "in the City's name" include securities held in a separate custodial or fiduciary account and identified as owned by the City in the custodian's internal accounting records. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer's agent (or by the trust department of the dealer if the dealer was a financial institution and another department of the institution purchased the securities for the City) in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer's agent, but not in the City's name. Category 3 also includes all securities held by the broker-dealer agent of the City (the party that purchased the securities for the City) regardless of whether or not the securities are being held in the City's name.

The City's only investment is the Local Agency Investment Fund which is not required to be categorized as described above.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

### (3) General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance at July 1, 1999	Additions	Deletions	Balance at June 30, 2000
Furniture	\$1,400	32,622	-	34,022
Computer Equipment	-	13,328	-	13,328
Office Equipment	-	5,990	-	5,990
Totals	<u>\$1,400</u>	<u>51,940</u>	<u>-</u>	<u>53,340</u>

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (4) General Long-Term Debt

Changes in general long-term debt for the year ended June 30, 2000 were as follows:

	<u>Balance at July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2000</u>
Compensated absences	\$ <u>-</u>	<u>19,889</u>	<u>-</u>	<u>19,889</u>

### (5) Operating Leases

In May, 1999, the City contracted with S & P Company for office space in the Willow Tree Shopping Center. This lease term is for three years ending in May 2002. The base rent for the first year is \$1,719 plus costs for common area maintenance of \$473. Rent will be adjusted annually based on the local consumer price index, not to exceed 5%. On June 1, 2000, the base monthly rent payment increased to \$1,778. Total lease payments for fiscal year ended June 30, 2000 was \$27,840. Future minimum lease payments are as follows:

<u>Year ended June 30</u>	<u>Total</u>
2001	\$27,013
2002	<u>24,761</u>
Total future minimum lease payments	<u>\$51,774</u>

### (6) Fund Balances

Fund balances at June 30, 2000 consisted of the following reserves and designations:

	<u>General</u>	<u>Special Revenue</u>
Reserved for:		
Encumbrances	\$ 12,044	-
Prepaid items	19,765	-
Contingent liabilities	100,000	-
Retirement funding	<u>25,000</u>	<u>-</u>
Subtotal	<u>156,809</u>	<u>-</u>
Unreserved:		
Designated for:		
Special fund purposes	<u>-</u>	<u>1,293,934</u>
Subtotal	<u>-</u>	<u>1,293,934</u>
Undesignated	<u>2,153,585</u>	<u>-</u>
Total fund balances	<u>\$2,310,394</u>	<u>1,293,934</u>

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (7) Insurance Policies

The City participants in the California Joint Powers Insurance Authority (CJPIA). The purpose of this organization is to reduce the cost of liability insurance coverage by having member cities act as self insurers among themselves. Costs are spread to members as follows: the first \$20,000 of each occurrence is charged directly to the City; costs from \$20,001 to \$500,000 are pooled based on a member's share of costs under \$20,000; costs from \$500,001 to \$5,000,000 are pooled based on payroll. Cost of covered claims above \$5,000,000 are currently paid by re-insurance. The protection of the City is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

The City also participates in the workers compensation pool administered by the CJPIA. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. Costs from \$50,001 to \$100,000 per claim are pooled based on the City's losses under its retention level. Costs between \$100,001 and \$500,000 per claim are pooled based on payroll. Cost in excess of \$500,000 are paid by excess insurance purchased by the CJPIA. The excess insurance provides coverage to statutory limits.

The membership of the CJPIA consists of approximately 84 cities with similar interests and needs regarding general liability insurance. Premiums are based upon the losses incurred by the insured and rebates are possible if the losses are minimal. The Board of Directors sets the premiums, and each member City is represented on the Board. Since incorporation on March 24, 1999, the City's liability for claims payable, if any, did not significantly exceed its deposit with CJPIA and therefore no liability for claims payable has been recorded in the general long-term debt account group. In addition, since incorporation, claim payments have not exceeded the amount of applicable insurance coverage.

### (8) Property Tax Calendar

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City of Laguna Woods recognizes as revenue only those taxes which are received within 60 days after year end.

# CITY OF LAGUNA WOODS

## Notes to Financial Statements

(Continued)

### (8) Property Tax Calendar, (Continued)

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment – November 1 Second Installment – February 1
Delinquent Date:	First Installment – December 11 Second Installment – April 11

Taxes are collected by the County of Orange and are remitted to the City periodically. Dates and percentages are as follows:

December	30% advance
January	Collection No. 1
April	10% advance
May	Collection No. 2
July	Collection No. 3

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Gas Tax Fund – to account for the operations of the street and maintenance projects of the public works department. Financing is provided by the City's share of State gasoline taxes.

Measure M Fund – to account for the operations of the street and maintenance projects of the public works department. Financing is provided by the City's share of County Measure M funds.

Air Quality Improvement Fund – to account for funds received from the County for enacting policies to improve air quality.

Grants Fund – to account for revenues received under Federal, State and local grants.

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CITY OF LAGUNA WOODS  
Special Revenue Funds

Combining Balance Sheet  
June 30, 2000

	<u>Gas Tax</u>	<u>Measure M</u>	<u>Air Quality Improvement</u>	<u>Grants</u>	<u>Totals</u>
<u>Assets</u>					
Cash and investments	\$ 989,439	152,915	13,066	-	1,155,420
Interest receivable	12,820	2,201	-	-	15,021
Due from other governments	<u>81,285</u>	<u>21,620</u>	<u>50,907</u>	<u>13,501</u>	<u>167,313</u>
Total assets	<u>\$ 1,083,544</u>	<u>176,736</u>	<u>63,973</u>	<u>13,501</u>	<u>1,337,754</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ <u>14,428</u>	<u>29,392</u>	<u>-</u>	<u>-</u>	<u>43,820</u>
Total liabilities	<u>14,428</u>	<u>29,392</u>	<u>-</u>	<u>-</u>	<u>43,820</u>
Fund balances:					
Designated for special fund purposes	<u>1,069,116</u>	<u>147,344</u>	<u>63,973</u>	<u>13,501</u>	<u>1,293,934</u>
Total fund balances	<u>1,069,116</u>	<u>147,344</u>	<u>63,973</u>	<u>13,501</u>	<u>1,293,934</u>
Total liabilities and fund balances	<u>\$ 1,083,544</u>	<u>176,736</u>	<u>63,973</u>	<u>13,501</u>	<u>1,337,754</u>

CITY OF LAGUNA WOODS  
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes to Fund Balances

Year ended June 30, 2000

	<u>Gas Tax</u>	<u>Measure M</u>	<u>Air Quality Improvement</u>	<u>Grants</u>	<u>Totals</u>
Revenues:					
Intergovernmental	\$ 848,991	212,371	63,973	13,501	1,138,836
Investment income	<u>22,486</u>	<u>3,911</u>	<u>-</u>	<u>-</u>	<u>26,397</u>
Total revenues	<u>871,477</u>	<u>216,282</u>	<u>63,973</u>	<u>13,501</u>	<u>1,165,233</u>
Expenditures:					
Current:					
Public works	93,246	52,302	-	-	145,548
Community development	<u>-</u>	<u>16,636</u>	<u>-</u>	<u>-</u>	<u>16,636</u>
Total expenditures	<u>93,246</u>	<u>68,938</u>	<u>-</u>	<u>-</u>	<u>162,184</u>
Excess (deficiency) of revenues over (under) expenditures	778,231	147,344	63,973	13,501	1,003,049
Fund balances (deficit) at beginning of year	<u>290,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,885</u>
Fund balances at end of year	<u>\$ 1,069,116</u>	<u>147,344</u>	<u>63,973</u>	<u>13,501</u>	<u>1,293,934</u>

CITY OF LAGUNA WOODS  
Gas Tax Fund

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

Year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 863,300	848,991	(14,309)
Investment income	<u>19,975</u>	<u>22,486</u>	<u>2,511</u>
Total revenues	<u>883,275</u>	<u>871,477</u>	<u>(11,798)</u>
Expenditures:			
Current:			
Public works	<u>301,920</u>	<u>93,246</u>	<u>208,674</u>
Total expenditures	<u>301,920</u>	<u>93,246</u>	<u>208,674</u>
Excess (deficiency) of revenues over (under) expenditures	581,355	778,231	196,876
Fund balances at beginning of year	<u>290,885</u>	<u>290,885</u>	<u>-</u>
Fund balances at end of year	<u>\$ 872,240</u>	<u>1,069,116</u>	<u>196,876</u>

CITY OF LAGUNA WOODS  
Measure M Fund

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

Year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 240,000	212,371	(27,629)
Investment income	<u>3,525</u>	<u>3,911</u>	<u>386</u>
Total revenues	<u>243,525</u>	<u>216,282</u>	<u>(27,243)</u>
Expenditures:			
Current:			
Public works	184,080	52,302	131,778
Community development	<u>105,000</u>	<u>16,636</u>	<u>88,364</u>
Total expenditures	<u>289,080</u>	<u>68,938</u>	<u>220,142</u>
Excess (deficiency) of revenues over (under) expenditures	(45,555)	147,344	192,899
Fund balances (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ (45,555)</u>	<u>147,344</u>	<u>192,899</u>

CITY OF LAGUNA WOODS  
Air Quality Improvement Fund

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

Year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ -	63,973	63,973
Total revenues	-	63,973	63,973
Expenditures	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	63,973	63,973
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	63,973	63,973

CITY OF LAGUNA WOODS  
Grants Fund

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

Year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ -	13,501	13,501
Total revenues	-	13,501	13,501
Expenditures	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	13,501	13,501
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	13,501	13,501

## AGENCY FUNDS

Agency funds are used to account for assets held by the City in an agency capacity.

Developer Deposits Fund – to account for deposits received in connection with development projects located within City limits.

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CITY OF LAGUNA WOODS  
Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2000

	<u>Balance at</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2000</u>
<u>Developer Deposits Fund</u>				
<u>Assets</u>				
Cash and investments	<u>\$ -</u>	<u>423,861</u>	<u>(367,282)</u>	<u>56,579</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ -</u>	<u>423,861</u>	<u>(367,282)</u>	<u>56,579</u>

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## ACCOUNT GROUPS

General Fixed Asset Account Group – to account for the cost of fixed assets of the City that are used in the performance of general government functions.

General Long-Term Debt Account Group – to account for all outstanding long-term indebtedness of the City.

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CITY OF LAGUNA WOODS  
General Fixed Assets Account Group

Schedule of General Fixed Assets - By Function and Activity

June 30, 2000

	<u>Furniture</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Totals</u>
<u>Function and Activity</u>				
General government:				
Administrative	\$ -	13,328	-	13,328
Community development	1,400	-	-	1,400
Non-department	<u>32,622</u>	<u>-</u>	<u>5,990</u>	<u>38,612</u>
 Total general fixed assets	<u>\$ 34,022</u>	<u>13,328</u>	<u>5,990</u>	<u>53,340</u>

CITY OF LAGUNA WOODS  
General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets - By Function and Activity

Year ended June 30, 2000

	<u>Balance at</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>June 30, 2000</u>
<u>Function and Activity</u>				
General government:				
Administrative	\$ -	13,328	-	13,328
Community development	1,400	-	-	1,400
Non-department	<u>-</u>	<u>38,612</u>	<u>-</u>	<u>38,612</u>
 Total general fixed assets	 <u>\$ 1,400</u>	 <u>51,940</u>	 <u>-</u>	 <u>53,340</u>