

RESOLUTION NO. 58/2017

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CORTE MADERA REAFFIRMING ITS POLICY OF REVIEWING THE CORTE MADERA CHAMBER OF COMMERCE ANNUAL BUDGET, APPROVING THE 2018 BUDGET, AND APPROVING THE FINANCIAL STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2016 AND 2015

WHEREAS, on November 7, 1989, the voters of Corte Madera, California (hereinafter called "TOWN") authorized an increase in the amount of two percent (2%) for the Transient Occupancy Tax (hereinafter called "TOT") charged on the gross receipts of temporary occupancy charges made pursuant to Measure E Section 3.08.030, of the Corte Madera Municipal Code; and

WHEREAS, amongst other provisions, the funds generated by said two percent increase in the TOT may be used for the support of the annual Fourth of July Celebration and to promote the many qualities of the businesses and people of the TOWN; and

WHEREAS, it is specifically required that the Town Council of the TOWN shall annually approve said expenditures in support of the efforts made by the Chamber of Commerce of Corte Madera and approval of the financial statements,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION I

The policy of the Town Council of the TOWN requiring annual review and adoption of the budget of the Chamber of Commerce of Corte Madera, is reaffirmed.

SECTION II

That the document attached hereto and made a part hereof by this reference, entitled "Exhibit A", be, and the same hereby is, approved.

SECTION III

That the policy of the Town Council of the TOWN requiring approval of the financial statements is affirmed.

SECTION IV

That the document attached hereto and made a part hereof by this reference, entitled "Exhibit B", be, and the same hereby is, approved.

SECTION V

The Town Manager, or the Manager's duly authorized officers and agents, are hereby authorized and directed to carry out the purposes and intent of the resolution.

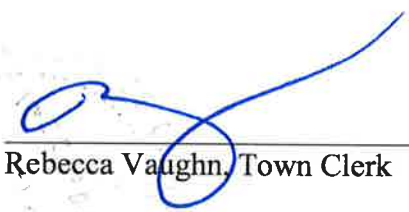
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PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Corte Madera on December 5, 2017, by the following vote:

AYES:	Councilmembers	Andrews, Bailey, Condon, Furst, Ravasio
NOES:	Councilmembers	- None -
ABSENT:	Councilmembers	- None -


Diane Furst, Mayor

ATTEST:


Rebecca Vaughn, Town Clerk



2018 Budget with actuals.xls

Community Donation	1500	1000	2000
Business/Town Project	7000	5000	10000
Reserved Expenses			
Deferment for Hotel Closure	150,000	150000	150,000
Total Expenses	378041	367838	396293
Net Income or Loss	97909	100787	94289
Estimated Closing Balance			



CORTE MADERA CHAMBER OF COMMERCE
FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Corte Madera Chamber of Commerce
Corte Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of Corte Madera Chamber of Commerce (the "Chamber"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified-cash basis of accounting described in Note 2; this includes determining that the modified-cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2016 and 2015, and the changes in their financial position for the years then ended in accordance with the modified-cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified-cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is modified with respect to this matter.

Restricted Use

This report is intended solely for the information and use of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Cropper Accountancy Corporation
CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
October 23, 2017

FINANCIAL STATEMENTS

CORTE MADERA CHAMBER OF COMMERCE
 Statements of Financial Position-Modified Cash Basis
 December 31, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents		
Petty cash	\$ 300	\$ 300
Cash in bank	211,608	168,728
Certificate of deposit, 0.095% due January 16, 2017	<u>23,440</u>	<u>23,412</u>
Total cash and cash equivalents	235,348	192,440
Other assets	<u>507</u>	<u>761</u>
Total assets	<u>\$ 235,855</u>	<u>\$ 193,201</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -	\$ -
Net assets		
Unrestricted	<u>235,855</u>	<u>193,201</u>
Total liabilities and net assets	<u>\$ 235,855</u>	<u>\$ 193,201</u>

The accompanying auditors' report and notes are an integral part of these financial statements.

CORTE MADERA CHAMBER OF COMMERCE
Statement of Activities-Modified Cash Basis
For the Years Ended December 31, 2016 and 2015

	2016	2015
Revenues and support		
Transient occupancy tax - Town of Corte Madera	\$ 206,553	\$ 196,132
Fourth of July	20,675	29,601
Dues	11,125	18,176
Golf tournament	12,898	14,273
Auction income	3,580	4,793
Newsletter income	-	500
Luncheons and mixers	987	994
Interest income	98	73
Other	228	954
Total revenues and support	256,144	265,496
Expenses		
Programs/Events		
Fourth of July event	51,159	46,304
Golf tournament	7,308	7,147
Luncheons and mixers	3,697	5,013
Computer Expenses	-	-
Management and general	151,326	141,379
Total expenses	213,490	199,843
Change in net position	42,654	65,653
Net assets, beginning of year	193,201	127,548
Net assets, end of year	\$ 235,855	\$ 193,201

The accompanying auditors' report and notes are an integral part of these financial statements.

CORTE MADERA CHAMBER OF COMMERCE
Notes to Financial Statements – Modified Cash Basis
December 31, 2016 and 2015

1. Organization and Purpose

As a leader in the community, the specific and primary purposes of the Corte Madera Chamber of Commerce (the "Chamber") are to advance the commercial, industrial, civic and general welfare of the Town of Corte Madera and its trade area.

The Chamber takes a leading role in supporting the Town's charitable organizations, businesses as well as the Town of Corte Madera's 4th of July celebration, which is a major community function.

The Chamber was organized in 1964 as a not-for-profit organization and is exempt from federal income tax under Section 501 (c) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Chamber presents its financial statements on the modified cash basis of accounting. The modified cash basis differs from generally accepted accounting principles accepted in the United States of America because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. In addition, the Chamber records office equipment assets and the related depreciation on the books which is not done on the cash basis of accounting.

Based on the preceding paragraph, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (ASC) 958, Not-For-Profit Entities. Under ASC 958, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. To date, all contributions of revenue are unrestricted.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ.

Property and equipment, depreciation

The Chamber capitalizes acquisitions of property and equipment in excess of \$500. Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. At December 31, 2016 the office equipment had a historical cost of \$5,552 and accumulated depreciation of \$5,045, or a net book value of \$507; current year depreciation was \$254.

CORTE MADERA CHAMBER OF COMMERCE
Notes to Financial Statements – Modified Cash Basis
December 31, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Lease commitment

Rent expense is recorded monthly as checks are disbursed. Rent expense was \$22,045 and \$21,479 for the years 2016 and 2015, respectively. The Chamber signed a new lease agreement in November 2011 which began March 2012, and will expire February 2017, and includes a landlord termination option. The base minimum rent increased from \$1,398 to \$1,440 per month in March 2016. In the year 2016, total payments also include common area maintenance and real estate taxes, which averaged approximately \$1,837 per month.

3. Transient Occupancy Tax

The Chamber receives 20% of transient occupancy tax (“TOT”) collected by the Town of Corte Madera, which represented 81% and 74% of its total revenues and support in years 2016 and 2015, respectively. The 2016 TOT amount consisted of 12 payments.

On November 7, 1989 Ordinance No. 761 passed in a Municipal Election. This ordinance increased transient occupancy tax from 8% to 10% effective January 1, 1990. The additional 2% tax is collected by the Town of Corte Madera and paid to the Corte Madera Chamber of Commerce.

4. Donated Services

The Chamber does receive some contributions of time by unpaid board members and various other individuals. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers’ time do not meet the criteria for recognition under FASB ASC Topic 958.

5. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Schedule of Functional Revenues and Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

6. Subsequent Events

Management has evaluated subsequent events through October 23, 2017, the date on which the financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

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CORTE MADERA CHAMBER OF COMMERCE
Revenues, Expenses, and Changes in Unrestricted Net Position
Actual and Budget
For the Year Ended December 31, 2016

Schedule 1

	Actual	Budget	Favorable (Unfavorable)
Direct program revenues			
Program-4th of July	\$ 20,675	\$ 23,000	\$ (2,325)
Program-Luncheons and mixers	987	2,500	(1,513)
Program-Golf tournament*	12,898	7,000	5,898
Other revenues			
Interest	98	71	27
Auction	3,580	5,500	(1,920)
Newsletter	-	1,500	(1,500)
Dues	11,125	19,000	(7,875)
Transient occupancy tax	206,553	180,000	26,553
Donations and other income	228	1,200	(972)
	256,144	239,771	16,373
Expenditures			
Program-4th of July†	51,159	50,000	(1,159)
Program-Luncheons and mixers	3,697	3,200	(497)
Program-Golf tournament	7,308	-	(7,308)
Program - Membership drives	-	1,000	1,000
Accounting and auditing	3,900	4,000	100
Insurance	2,933	2,950	17
Donations	977	1,650	673
Salary expense, benefits and payroll tax	98,234	112,500	14,266
Gifts, awards etc.	1,181	750	(431)
Office expense and supplies	4,375	3,500	(875)
Postage and printing	1,710	1,800	90
Website and newsletter	6,109	8,700	2,591
Rent	22,045	22,125	80
Telephone	2,923	2,800	(123)
Utilities	1,170	1,300	130
Centennial†	2,343	8,000	5,657
Advertising	-	1,000	1,000
Deferralment for hotel closure	-	125,000	125,000
Depreciation on office equipment	254	-	(254)
Other	3,172	4,050	878
	213,490	354,325	140,835
Revenues over (under) expenditures	42,654	(114,554)	157,208
Unrestricted net assets - December 31, 2015	193,201	193,201	-
Unrestricted net assets - December 31, 2016	\$ 235,855	\$ 78,647	\$ 157,208

* Golf tournament budget of \$7,000 reflects revenues, net of associated expenditures. The net variance for the golf tournament when expenditures are included is \$1,410 unfavorable.

† Fourth of July expenditures were higher than normal due to special Centennial activities. The net variance for the 4th of July and Centennial budget lines is \$4,498 favorable.