

TOWN OF TIBURON
California

Annual Financial Report

**Year Ended
June 30, 2020**

TOWN OF TIBURON

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860-0127

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the Town Council
Town of Tiburon, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tiburon, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 upon our audit. We conducted our audit 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 purposes 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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

Honorable Mayor
Members of the Town Council
Town of Tiburon, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tiburon, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan schedules, other postemployment benefits plan schedules, and the respective budgetary comparison information of the general and major funds as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Tiburon's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Marcello & Company

Certified Public Accountants
Sacramento, California
December 7, 2020

MANAGEMENT'S DISCUSSION & ANALYSIS

***As Prepared by Management
(unaudited)***

Town of Tiburon Management's Discussion and Analysis

As management of the Town of Tiburon, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020 (FY 2020). We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this discussion and analysis.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which consist of three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements consist of the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private sector businesses. They provide information about the activities of the Town as a whole and present a long-term view of the Town's finances.

The Statement of Net Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information about how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some of the revenue and expenses reported in this statement may result in cash flows only in future fiscal periods, such as revenue related to uncollected taxes and interest expense incurred but not yet paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds of governmental activities are divided into three categories:

- 1) Governmental Funds
- 2) Proprietary Funds
- 3) Fiduciary Funds

Town of Tiburon Management's Discussion and Analysis

Governmental Funds

Most of the Town's basic services are included in Government Funds, which focus on (1) how cash and other financial assets (that can be readily converted to cash) flow in and out, and (2) the balances remaining at year-end that are available for spending. Consequently, the Government Funds Financial Statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, there is a schedule subsequent to each Government Funds Financial Statement that reconciles it to the related Government-wide Financial Statement.

Proprietary Funds

Services for which the Town charges customers a fee are generally reported in Proprietary Funds. Proprietary Funds, like the Government-wide Financial Statements, provide both long-term and short-term financial information. Currently the Town does not require the use of Proprietary Funds.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the municipality, such as special assessment districts. Fiduciary Funds are not reflected in the Government-wide Financial Statements because those resources are not available to support the Town's own programs.

Notes to the Financial Statements

The Notes provide additional information that is essential for a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements follow the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying Notes, this report also presents certain required supplementary information other than this discussion and analysis, concerning the Town's budgetary comparison schedule, its schedule of funding progress for both its other postemployment medical benefits plan (OPEB) and its defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS).

FINANCIAL HIGHLIGHTS

Government-wide Financial Statement Highlights

- The Government-wide Statement of Net Position, appearing as the first statement of the basic financial statements, shows that the Town's total assets exceeded total liabilities by \$46.1 million. Of this amount, \$6.3 million was unrestricted net position and may be used to meet the Town's ongoing obligations to the citizens and creditors of the Town.

- Town cash and investments totaled \$23.9 million, and net capital assets totaled \$34 million on June 30, 2020, representing 41% and 56% of the Town's total assets, respectively.

Town of Tiburon Management's Discussion and Analysis

- The Town's liabilities totaled approximately \$12.5 million and consist of accounts payable, refundable deposits, compensated absences, net OPEB plan liability, and net pension plan liability.
- The Government-wide Statement of Activities shows that total revenue was approximately \$13 million (general revenue of \$10.8 million and program revenue of \$2.1 million) compared with total expenses of approximately \$14.7 million, resulting in a decrease in net position of \$1,686,798.

Fund Financial Statement Highlights

- At the close of FY 2020, the combined fund balance of the Town's Governmental Funds was \$22.5 million, which represents an increase of \$82,032 from the previous fiscal year. Of this combined fund balance, approximately \$14.7 million is from the General Fund, which is an increase of \$21,901 from FY 2019. The detailed components of revenue and expenditures can be found in the accompanying Statement of Revenue, Expenditures, and Change in Fund Balances.

Town Highlights

- The Town completed the Vistazo/Paradise Slide Repairs Project at total cost \$460,017.
- The Town made a contribution of \$77,050 towards the Hawthorne Drive Underground Project.
- The Town invested \$458,176 in the PMS Streets Project improvements during the fiscal year.
- The Town continued making significant investment in drainage infrastructure and completed \$557,696 in such improvements during the fiscal year.
- The Town contributed \$200,000 above its budgeted expenditure towards its CalPERS unfunded pension liability into the PARS Pension Trust Account in FY 2020.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town reports its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement - Management's Discussion and Analysis - for State and Local Governments*.

Net Position

Net position is a measure of a government's financial position. In the case of the Town of Tiburon, assets exceeded liabilities and deferred inflows by \$46.1 million, a decrease of \$1.7 million over the previous fiscal year's net position. By far the largest portion (74%) of the Town's net position reflects its investment in capital assets (land, buildings, roadways, drainage systems, and equipment). The Town uses capital assets to provide services to its citizens. Consequently, these assets are not available for future appropriations. The Town carries no debt related to its capital assets.

Town of Tiburon Management's Discussion and Analysis

A condensed presentation of the Town's Statement of Net Position is presented in the following table comparing last fiscal year to the most recently completed fiscal year:

Statement of Net Position Comparison of FY 2020 and FY 2019

	June 30		Amount Change	Percent Change
	2020	2019		
Assets				
Current and other assets	\$ 24,565,677	\$ 23,690,003	\$ 875,674	4%
Capital assets, net	33,971,115	36,084,932	(2,113,817)	-6%
Total assets	<u>58,536,792</u>	<u>59,774,935</u>	<u>(1,238,143)</u>	-2%
Deferred Outflows of Resources				
Deferred pension outflows	2,224,436	2,129,024	95,412	4%
Deferred OPEB outflows	312,235	-	312,235	100%
Total assets and deferred outflows	<u>61,073,463</u>	<u>61,903,959</u>	<u>(830,496)</u>	-1%
Liabilities				
Current liabilities	2,114,278	1,287,221	827,057	64%
Noncurrent liabilities	238,574	249,813	(11,239)	-4%
Net pension liability	8,762,867	7,934,808	828,059	10%
Net OPEB liability	1,335,378	2,225,740	(890,362)	-40%
Total liabilities	<u>12,451,097</u>	<u>11,697,582</u>	<u>753,515</u>	6%
Deferred Inflows of Resources				
Deferred pension inflows	830,805	626,692	204,113	33%
Deferred OPEB inflows	1,667,218	1,768,544	(101,326)	100%
Total liabilities and deferred inflows	<u>14,949,120</u>	<u>14,092,818</u>	<u>856,302</u>	6%
Net Position				
Net investment in capital assets	33,971,115	36,084,932	(2,113,817)	-6%
Restricted	5,881,903	5,938,657	(56,754)	-1%
Unrestricted	6,271,325	5,787,552	483,773	8%
Total net position	<u>\$ 46,124,343</u>	<u>\$ 47,811,141</u>	<u>\$ (1,686,798)</u>	-4%

- Current and other assets increased by 4% or \$0.9 million over the prior year, which were invested in the State of California's Local Agency Investment Fund.
- Capital assets decreased 6% or \$2.1 million over the prior fiscal year. This change is due to annual depreciation expense in all categories of depreciable assets.
- Deferred Outflows for both pension and OPEB obligations decreased by 1% or \$0.8 million due to annual required payments, and elective contributions into the Town's fiduciary trust accounts.

**Town of Tiburon
Management's Discussion and Analysis**

- Total liabilities increased by \$0.8 million or 6% over the prior year. This is primarily due to year-end accrued payables to vendors and contractors for capital projects, such as storm drain rehabilitations and pavement management.

A condensed presentation of the Town's Statement Activities is provided in the following table, which compares the current fiscal year to the prior year:

Statement of Activities				
Comparison of FY 2020 and FY 2019				
	June 30		Amount Change	Percent Change
	2020	2019		
<u>Revenue</u>				
Program revenue	\$ 2,134,861	\$ 2,249,701	\$ (114,840)	-5%
General revenue	10,832,133	10,903,020	(70,887)	-1%
Total revenue	12,966,994	13,152,721	(185,727)	-1%
<u>Expenses</u>				
General government	4,863,580	6,555,626	(1,692,046)	-26%
Public Safety	3,431,868	3,100,193	331,675	11%
Public Works	2,103,154	1,939,140	164,014	8%
Capital Improvements	2,019,904	3,059,604	(1,039,700)	-34%
Depreciation	2,235,286	2,061,597	173,689	8%
Total expenses	14,653,792	16,716,160	(2,062,368)	-12%
Change in Net Position	(1,686,798)	(3,563,439)	1,876,641	-53%
Net Position - beginning	47,811,141	52,752,815	(4,941,674)	-9%
Prior period adjustment-depreciation	-	(1,378,235)	1,378,235	
Net Position - beginning, as restated	47,811,141	51,374,580	(1,587,514)	-3%
Net Position - end of year	\$ 46,124,343	\$ 47,811,141	\$ (3,065,033)	-6%

- Program Revenue decreased by \$114,840 or 5% over the prior year. This decrease was expected and due to reductions in planning, business license, and building service revenue.
- General Revenue decreased by \$70,887, or 1% from the prior year. This slight reduction in transient occupancy taxes, as well as in investment earnings, was expected and due to hotel closures and a decline in investment earnings, respectively.
- Total expenses decreased by 12% or \$2 million from a reduction in budgeted capital improvement projects, and reduced budgeted annual contributions to the pension and OPEB trust accounts.

**Town of Tiburon
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GENERAL FUND

Revenue

The general fund is the main operating fund of the Town, which consists of the general operating account and 11 reserve funds. During FY 2020, the Town received general fund revenue of \$11.4 million which represents a slight decrease below the previous fiscal year.

The table below compares general fund revenue by category for the fiscal years ended June 30, 2020 and 2019:

General Fund Revenue Comparison

	June 30		Amount Change	Percent Change
	2020	2019		
Property taxes	\$ 6,348,923	\$ 6,131,237	\$ 217,686	4%
Other taxes	1,522,588	1,638,725	(116,137)	-7%
Franchise fees	792,417	752,716	39,701	5%
Fines and penalties	208,342	408,687	(200,345)	-49%
Investment earnings	242,163	329,964	(87,801)	-27%
Intergovernmental	293,740	269,938	23,802	9%
Licenses and permits	880,721	991,374	(110,653)	-11%
Charge for services	738,082	664,113	73,969	11%
Other revenue	371,533	381,175	(9,642)	-3%
	<u>\$ 11,398,509</u>	<u>\$ 11,567,929</u>	<u>\$ (169,420)</u>	-1%

- **Property Taxes.** In FY 2020 the Town realized a 4% increase in overall property tax revenue.
- **Other Taxes.** Decrease of 7% in other taxes is due to a reduction in transient occupancy taxes.
- **Franchise Fees.** Franchise fees increased by 5% over the prior year. The Town receives franchise fees from PG&E, Mill Valley Refuse, and Comcast Cable.
- **Fines and Penalties.** Overall, fines and penalties decreased by 49% or \$200,345 over the prior year. The majority of this decrease is due to construction and business *shelter-in-place* orders.
- **Investment Earnings.** Investment Earnings decreased 27% due to declining investment rates on funds invested with the State of California Local Agency Investment Fund (LAIF).
- **Intergovernmental.** Federal, State, and County intergovernmental grant revenue increases and decreases are generally outside the control of the Town.
- **License and Permits.** The Town realized an 11% decrease in license and permit revenue in FY 2020. Most sources of revenue within this category were consistent with the previous year, with the exception of building, alarm system, encroachment, and parking permit revenue, which decreased by \$110,653.
- **Charge for Services.** This revenue category increased by 11% in FY 2020.

**Town of Tiburon
Management's Discussion and Analysis**

Expenditures

General Fund expenditures decreased by 14% or \$1,187,516 in FY 2020. The two-year comparison table below illustrates the expenditure categories by department for the fiscal years ended June 30, 2020 and 2019:

General Fund Expenditures Comparison

	June 30		Amount Change	Percent Change
	2020	2019		
Town Administration	\$ 1,867,346	\$ 1,758,626	\$ 108,720	6%
Community Development	1,309,450	1,288,776	20,674	2%
Public Safety	3,643,398	3,178,101	465,297	15%
Public Works/Streets	2,073,072	1,842,658	230,414	13%
Nondepartmental	1,692,347	3,189,945	(1,497,598)	-47%
Capital Improvements	828,231	2,015,747	(1,187,516)	-59%
	<u>11,413,844</u>	<u>13,273,853</u>	<u>(1,860,009)</u>	-14%
Excess Revenue over (under) Expenditures	<u>\$ (15,335)</u>	<u>\$ (1,705,924)</u>	<u>\$ 1,690,589</u>	-99%

- Town Administration increased by 6% or \$108,720 over FY 2019. This is consistent with salary and benefit increases that were granted during the year, and changes in employee positions.
- Community Development increased by 2%. This is consistent with salary and benefit increases that were granted during the year.
- Public Safety expenses increased by 15% or \$465,297 from FY 2019. This is consistent with salary and benefit increases for Police Department staffing and negotiated increases.
- Public Works expenditures increased by 13% over the previous year. New funding for vegetation in the Caltrans right-of-way, increased annual maintenance costs, and water services for the new McKegney Green soccer field, all contributed to an increase in operational costs in the Public Works and Parks Division in FY 2020.
- Nondepartmental expenses decreased by 47% or \$1.5 million over FY 2019. The decrease is due to budgeted lower contributions to both the OPEB and pension trusts in the current fiscal year as compared to the prior fiscal year.
- General Fund Capital Improvement expenditures decreased by 59% or \$1.2 million over the previous fiscal year. The decrease is due in part to budgeting less general fund money for capital improvement projects, as well as \$0.5 million of planned expenses for the Annual Drainage Improvement project being deferred to the following fiscal year.

**Town of Tiburon
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The following table presents a two-year comparison of the Town's governmental funds revenue and expenditures for fiscal years 2020 and 2019:

Total Governmental Funds Comparison of FY 2020 and FY 2019				
	June 30		Amount Change	Percent Change
	2020	2019		
<u>Revenue</u>				
Property Taxes	\$ 6,365,467	\$ 6,131,237	\$ 234,230	4%
Other Taxes	1,522,588	2,038,125	(515,537)	-25%
Franchise Fees	792,417	752,716	39,701	5%
Fines and Forfeitures	208,342	408,687	(200,345)	-49%
Interest Earnings	366,923	510,488	(143,565)	-28%
Intergovernmental	1,033,466	485,951	547,515	113%
License and Permits	880,721	991,374	(110,653)	-11%
Other Revenue	1,254,140	1,220,317	33,823	3%
Charge for Services	542,930	613,826	(70,896)	-12%
Totals	12,966,994	13,152,721	(185,727)	-1%
<u>Expenditures</u>				
Town Administration	1,869,041	1,760,167	108,874	6%
Community Development	1,309,450	1,288,776	20,674	2%
Public Safety	3,643,398	3,178,101	465,297	15%
Public Works	2,189,401	1,978,094	211,307	11%
Nondepartmental	1,771,336	3,545,637	(1,774,301)	-50%
Capital Projects	2,102,336	3,059,605	(957,269)	-31%
Totals	12,884,962	14,810,380	(1,925,418)	-13%
Excess Revenue over (under) Expenditures	\$ 82,032	\$ (1,657,659)	\$ 1,739,691	-105%

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

In March 2020, the Town of Tiburon and the rest of the world experienced an unprecedented event with the declaration of the worldwide pandemic of the novel coronavirus (named "COVID-19" by the World Health Organization) and the subsequent *shelter-in-place* orders issued to slow the spread of disease. The entire world was sent into an economic and social crisis and economies went into freefall as efforts to combat the virus disrupted the global supply chain. Although we have seen some market recovery and stabilization, the long-term impact of the pandemic remains uncertain.

The National Gross Domestic Product (GDP) growth decreased at an annual rate of 31.7% in the second quarter of 2020 from the previous quarter according to the Bureau of Economic Analysis. The sharp decline in second quarter GDP is attributed to COVID-19, with *shelter-in-place* orders issued in March and limited re-opening of business and services in May and June. GDP is the most popular indicator of the nation's overall economic health.

Town of Tiburon Management's Discussion and Analysis

The downturn in the economic activity due to the COVID-19 pandemic is worse than the Great Recession in terms of severity, scope, and speed (from 2007 to 2009) which may take years to recover. As of June 2020, the Federal Reserve Board's advanced projection shows GDP growth to increase to 5.0% in 2021, and 3.5% in 2022.

The Consumer Price Index (CPI) is used by the U.S. Bureau of Labor Statistics to measure inflation. The September 2020 CPI-U (Consumer Price Index for all Urban Consumers) increased 1.4 percent over the last 12 months. Core CPI (CPI less food and energy) is 1.7% compared to 2.4% in September 2019. Core CPI represents a more accurate picture of underlying inflation trends since volatile food and energy products are excluded. The global economic activity remains uncertain and is largely dependent on the course of the pandemic. Overall inflation for items other than food and energy is running below 2 percent.

California faces the New Year with a \$54.3 billion budget deficit and an unemployment rate of 11% as of September 2020, a big contrast from the record low unemployment rates just a year ago. The State has been slow to reopen as new COVID-19 cases hold near levels seen in the spring of 2020, and conditions will remain restrictive for business in the near term. With the recent surges experienced after the recent fall and winter holidays, a prolonged recovery is expected.

The Town has worked hard to maintain a stable financial position; however the impact of COVID-19 on our long-term financial health remains unknown. While we are fortunate that the majority of the Town's revenue is derived from secured property taxes, which will be minimally impacted in the near term, the Town took a conservative approach when planning the FY 2020-21 budget in light of the economy's uncertain future.

The adopted budget for FY 2021 projects an operating surplus of \$952. General Fund revenue is anticipated to decrease \$288,301 over the prior FY 2020 budget, and expenditures increase by \$201,378. The Town's largest tax revenue generator is property taxes. The Town is anticipating the FY 2021 tax roll to increase by approximately 4.5% over the previous year. Other taxes, such as Sales and Transient Occupancy Taxes, are anticipated to decrease by 34%. Non-tax revenue is expected to decline approximately 5%.

The Town's largest expenditure relates to employee salaries and benefits. Personnel costs are tied to labor agreements with the Town's two organized employee groups, and unrepresented management and mid-management employees. The Tiburon Police Association and the smaller Service Employee's International Union are in their final year of a three-year agreement which expires on June 30, 2021. Negotiated salary increases under these contracts range between 2.75% and 3.0% for FY 2021. Unrepresented employees are covered under Resolution of the Town Council which expires on June 30, 2021.

Despite the uncertainty of the impact of the global pandemic, the Town strives to maintain a healthy long-term financial position, and Staff continues to proactively monitor revenue and expenditures along with recently implemented financial planning strategies to reduce unfunded pension and OPEB liabilities. The citizens of the Town are fortunate that they can enjoy exceptional Town services, a balanced budget, and that vital Town infrastructure continues to be maintained and improved.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of the Town of Tiburon with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional information, contact the Town of Tiburon Administrative Services Department, 1505 Tiburon Boulevard, Tiburon, CA 94920.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF TIBURON
Government-wide Financial Statements
Statement of Net Position
June 30, 2020

	Total Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 23,887,562
Receivables	678,115
Total current assets	24,565,677
Noncurrent Assets	
Capital assets not being depreciated	4,087,952
Capital assets, net of depreciation	29,883,163
Total noncurrent assets	33,971,115
Total assets	58,536,792
Deferred Outflows of Resources	
Deferred pension outflows	2,224,436
Deferred OPEB outflows	312,235
Total assets and deferred outflows of resources	61,073,463
Liabilities	
Current Liabilities	
Accounts payable	785,258
Accrued liabilities	273,000
Deposits	976,496
Compensated absences - current	79,524
Total current liabilities	2,114,278
Noncurrent Liabilities	
Compensated absences	238,574
Net pension liability	8,762,867
Other postemployment benefits liability	1,335,378
Total noncurrent liabilities	10,336,819
Total liabilities	12,451,097
Deferred Inflows of Resources	
Deferred pension inflows	830,805
Deferred OPEB inflows	1,667,218
Total liabilities and deferred inflows of resources	14,949,120
Net Position	
Net investment in capital assets	33,971,115
Restricted	5,881,903
Unrestricted	6,271,325
Total net position	\$ 46,124,343

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Government-wide Financial Statements
Statement of Activities
Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	
Governmental Activities:					
General government	\$ 4,863,580	\$ -	\$ -	\$ -	\$ (4,863,580)
Public safety	3,431,868	-	-	-	(3,431,868)
Public works/streets	2,103,154	738,082	880,721	-	(484,351)
Capital improvements	2,019,904	516,058	-	-	(1,503,846)
Depreciation	<u>2,235,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,235,286)</u>
Totals	<u>\$ 14,653,792</u>	<u>\$ 1,254,140</u>	<u>\$ 880,721</u>	<u>\$ -</u>	<u>(12,518,931)</u>

General Revenue:

Property taxes	6,365,467
Sales taxes	670,487
Transient occupancy tax	638,638
Property transfer taxes	213,463
Investment earnings	366,923
Intergovernmental	1,033,466
Franchise fees	792,417
Fines and forfeitures	208,342
Other revenue	<u>542,930</u>
Total general revenue	<u>10,832,133</u>

Change in Net Position (1,686,798)

Net Position - beginning	<u>47,811,141</u>
Net Position - end of year	<u>\$ 46,124,343</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

TOWN OF TIBURON
Balance Sheet
Governmental Funds
June 30, 2020

	General	Tiburon	Other	Total
	Fund	Street	Governmental	Governmental
ASSETS	Fund	Impact Fund	Funds	Funds
Cash and investments	\$ 15,912,229	\$ 2,652,721	\$ 5,322,612	\$ 23,887,562
Receivables	676,085	-	2,030	678,115
Total assets	<u>\$ 16,588,314</u>	<u>\$ 2,652,721</u>	<u>\$ 5,324,642</u>	<u>\$ 24,565,677</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 628,843	\$ 147,143	\$ 9,272	\$ 785,258
Accrued liabilities	223,000	-	50,000	273,000
Deposits	965,621	-	10,875	976,496
Total liabilities	<u>1,817,464</u>	<u>147,143</u>	<u>70,147</u>	<u>2,034,754</u>
 Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	2,505,578	3,376,325	5,881,903
Committed	11,291,483	-	1,616,449	12,907,932
Assigned	-	-	261,721	261,721
Unassigned	3,479,367	-	-	3,479,367
Total fund balances	<u>14,770,850</u>	<u>2,505,578</u>	<u>5,254,495</u>	<u>22,530,923</u>
 Total liabilities and fund balances	 <u>\$ 16,588,314</u>	 <u>\$ 2,652,721</u>	 <u>\$ 5,324,642</u>	 <u>\$ 24,565,677</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balances - governmental funds (page 14)	\$ 22,530,923
Amounts reported for governmental activities in the statement of net position are different because:	
(1) Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the balance sheet.	33,971,115
(2) Pension plan contributions are reported as deferred outflows of resources in the statement of net position.	2,224,436
(3) Other post-retirement employee medical benefit plan contributions are reported as deferred outflows of resources in the statement of net position.	312,235
(4) Long-term liabilities and obligations are not due and payable in the current period and therefore, are not reported in the governmental funds balance sheet.	
Compensated Absences	(318,098)
Net Pension Liability	(8,762,867)
Net OPEB Liability	(1,335,378)
(5) Deferred pension plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	(830,805)
(6) Other post-retirement employee medical benefits plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	<u>(1,667,218)</u>
Net position of governmental activities (page 12)	<u><u>\$ 46,124,343</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Revenue, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Tiburon Street Impact Fund	Other Governmental Funds	Total Governmental Funds
REVENUE				
Property taxes	\$ 6,348,923	\$ -	\$ 16,544	\$ 6,365,467
Other taxes	1,522,588	-	-	1,522,588
Franchise fees	792,417	-	-	792,417
Fines and forfeitures	208,342	-	-	208,342
Investment earnings	242,163	45,221	79,539	366,923
Intergovernmental and agency	293,740	-	739,726	1,033,466
Licenses and permits	880,721	-	-	880,721
Charges for services	738,082	492,246	23,812	1,254,140
Other revenue	371,533	-	171,397	542,930
Total revenue	<u>11,398,509</u>	<u>537,467</u>	<u>1,031,018</u>	<u>12,966,994</u>
EXPENDITURES				
Current -				
Town administration	1,867,346	-	1,695	1,869,041
Community development	1,309,450	-	-	1,309,450
Public safety	3,643,398	-	-	3,643,398
Public works/streets	2,073,072	-	116,329	2,189,401
Nondepartmental	1,692,347	-	78,989	1,771,336
Capital improvement projects	828,231	715,780	558,325	2,102,336
Total expenditures	<u>11,413,844</u>	<u>715,780</u>	<u>755,338</u>	<u>12,884,962</u>
Excess Revenue over (under) Expenditures	<u>(15,335)</u>	<u>(178,313)</u>	<u>275,680</u>	<u>82,032</u>
Other financing sources / (uses):				
Operating transfers in	302,428	-	-	302,428
Operating transfers (out)	<u>(265,192)</u>	<u>-</u>	<u>(37,236)</u>	<u>(302,428)</u>
Total other sources (uses)	<u>37,236</u>	<u>-</u>	<u>(37,236)</u>	<u>-</u>
CHANGE IN FUND BALANCES	21,901	(178,313)	238,444	82,032
Fund balances - beginning	14,748,949	2,683,891	5,016,051	22,448,891
Fund balances - end of year	<u>\$ 14,770,850</u>	<u>\$ 2,505,578</u>	<u>\$ 5,254,495</u>	<u>\$ 22,530,923</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Reconciliation of the Statement of Revenue, Expenditures, and Change in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Change in fund balances - governmental funds (page 16)	\$	82,032
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Amounts reported for governmental activities in the statement of activities are different because:

Capital Assets

(1) The acquisition of capital assets uses current financial resources but has no effect on net position.		84,307
(2) The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities.		(2,235,286)

Measurement focus

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

(3) Change in compensated absences liability		14,986
(4) Change in net pension liability		(936,760)
(5) Change in OPEB liability		<u>1,303,923</u>

Change in net position of governmental activities (page 13)	\$	<u><u>(1,686,798)</u></u>
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The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	Tiburon Public Finance Authority	Del Mar Valley A/D	Tiburon Public Facilities	Mount. View AD	South Virginia Under- ground	Hawthorne Terrace UAD	1972 Open Space Bonds	Peninsula Library JPA	Total Agency Funds
ASSETS									
Cash and									
investments	\$ 537,833	\$ 243	\$ 1,142	\$ 106,265	\$ 115,717	\$ 306,728	\$ 31,460	\$ 27,449	\$ 1,126,837
Cash with trustee	<u>56,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,837</u>
Total Assets	<u>\$ 594,670</u>	<u>\$ 243</u>	<u>\$ 1,142</u>	<u>\$ 106,265</u>	<u>\$ 115,717</u>	<u>\$ 306,728</u>	<u>\$ 31,460</u>	<u>\$ 27,449</u>	<u>\$ 1,183,674</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,449	\$ 27,449
Deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,240</u>	<u>-</u>	<u>-</u>	<u>293,240</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,240</u>	<u>\$ -</u>	<u>\$ 27,449</u>	<u>\$ 320,689</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Other Post Employment Benefits Trust Fund	Pension Trust Fund	Total
ASSETS			
Cash and Investments	\$ 2,513,798	\$ 1,611,919	\$ 4,125,717
LIABILITIES	-	-	-
NET POSITION			
Restricted for:			
Other Postemployment Benefits	2,513,798	-	2,513,798
Pension Benefits	-	1,611,919	1,611,919
Total Net Position	\$ 2,513,798	\$ 1,611,919	\$ 4,125,717

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Change in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2020

	Other Post Employment Benefit (OPEB) Trust Fund	Pension Trust Fund	Total
ADDITIONS			
Employer contributions	\$ 88,071	\$ 200,000	\$ 288,071
Investment earnings	96,216	91,585	187,801
subtotal	<u>184,287</u>	<u>291,585</u>	<u>475,872</u>
DEDUCTIONS			
Administrative expenses	12,901	7,925	20,826
Distributions	-	-	-
Transfers	-	-	-
subtotal	<u>12,901</u>	<u>7,925</u>	<u>20,826</u>
CHANGE IN FIDUCIARY NET POSITION			
Net Increase (Decrease)	171,386	283,660	455,046
Net Position - beginning	<u>2,342,412</u>	<u>1,328,258</u>	<u>3,670,670</u>
Net Position - end of year	<u><u>\$ 2,513,798</u></u>	<u><u>\$ 1,611,918</u></u>	<u><u>\$ 4,125,716</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Town as follows:

- Note 1 - Defining the Financial Reporting Entity
- Note 2 - Summary of Significant Accounting Policies
- Note 3 - Stewardship, Compliance and Accountability
- Note 4 - Cash and Investments
- Note 5 - Long-term Obligations
- Note 6 - Capital Assets
- Note 7 - Special Assessment District Bond Obligations
- Note 8 - Interfund Transfers
- Note 9 - Other Postemployment Benefits Plan
- Note 10 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
- Note 11 - Commitments and Contingencies
- Note 12 - Risk Management
- Note 13 - Subsequent Events
- Note 14 - New Pronouncements
- Note 15 - Fund Balance Designations Section of the Balance Sheet

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

Note 1 - Defining the Financial Reporting Entity

The Town of Tiburon (the Town) was incorporated in 1964 under the laws of the State of California. Tiburon operates under a Council-Manager form of government. The Town provides municipal services to its citizens including police, public works, community development, and general administrative support. These financial statements present the financial status of the Town and its component unit, as discussed in the following paragraph.

The Tiburon Public Facilities Financing Authority (the Authority) was established in 1990 pursuant to a joint powers agreement between the Town and the former Tiburon Redevelopment Agency, to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the Town. Although the component unit is legally separate from the Town, it is reported in the statement of fiduciary assets and liabilities, and its board consists of members of the Town Council.

The Town participates in the following Joint Powers Authority agreements (JPAs):

- the Belvedere-Tiburon Joint Recreation Committee
- the Bay Cities Joint Powers Insurance Authority (BCJPIA)
- the Association of Bay Area Governments (ABAG)
- the Marin Emergency Radio Authority (MERA)
- the Tiburon Peninsula Traffic Relief JPA

The financial activities of the JPAs are not included in the accompanying financial statements because they are administered by governing boards which are separate from, and independent of the Town.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Town are described as follows:

Financial Statements

The Town's basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The government-wide financial statements (ie, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributors that are restricted to meeting the operational or capital requirements of a particular function or segment.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Accounting

The accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenue, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on *major funds* within the governmental and proprietary categories. A fund is considered “major” if it is the primary operating fund of the Town or meets the following criteria:

- Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type.
- Total assets, liabilities, revenue, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- The government has determined that a fund is important to the financial statement user.

The funds of the Town are described as follows:

Governmental Funds

The General Fund is the Town’s primary operating fund. 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 special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds are used to account for revenue and expenditures restricted to the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, governmental fund long-term debt, both principal and interest.

Fiduciary Funds

Agency Funds are used to account for assets administered by the Town in a trustee capacity or as an agent for other governments, primarily special assessment districts. Agency Funds are custodial in nature (assets and liabilities), and do not involve measurement of results of operations.

Major Funds

The following are the Town’s major funds this year:

- *General Fund* - this fund is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

- *Tiburon Street Impact Fund* - this fund is used to account for the collection of impact fees from permits issued for construction projects within the Town limits, whose use is restricted for street projects.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the “economic resources measurement focus” and the “accrual basis of accounting.” Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all Governmental Funds and Agency Funds are accounted for using the “modified accrual basis of accounting.” Revenue is recognized when it becomes both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gas taxes), interest, special assessments levied, state and federal grants, and charges for current services. Revenue from licenses, permits, fines and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred. Fiduciary Fund revenue and expenses or expenditures (as appropriate) are recognized on the basis consistent with the fund’s accounting measurement objective.

All Governmental Funds are accounted for using a “current financial resources measurement focus.” This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available spendable resources.”

Governmental Fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The government-wide financial statement is accounted for on a “flow of economic resources measurement focus.” This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position.

Cash and Investments

Deposits in financial institutions, money market funds, and the State Treasurer’s investment pool are reported as cash and investments since funds can spend cash at any time without prior notice or penalty. All investments with fiscal agents are also considered cash equivalents if they are liquid. Investments are stated at fair value.

Restricted Assets

Certain cash and investments of the Town are classified as restricted because their uses are limited by revenue sources. When an expense is incurred for purposes for which there are both restricted and unrestricted cash assets available, restricted cash is used first, then unrestricted cash as it is needed.

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Receivables and Payables

Property, sales, and use taxes related to the current fiscal year are accrued as revenue, and accounts receivable are considered available if received within 60 days of fiscal year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The Town considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur. Grants, entitlements or shared revenue are recorded as receivables and revenue in the general, special revenue, and capital projects funds when they are received or susceptible to accrual.

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due to/due from other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions as evidenced by loan agreements).

Allowance for Doubtful Accounts

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Capital Assets

Capital assets are reported in the government-wide statement of net position. Capital assets are stated at historical cost when available, and at estimated replacement cost when original cost was not available. Donated assets are stated at estimated market value at date of donation. The Town's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$5,000. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from five to seventy-five years.

Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. The Town's method of calculating the liability is in accordance with GASB Statement No. 16, except that additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer's share of pension contributions and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole. In governmental fund types, the cost of vacation and sick leave benefits is recognized when payments are made to employees.

Long-term Obligations

In the government-wide financial statements, long-term debt and obligations are reported as liabilities in the applicable statement of net position. Bond premiums, issuance costs and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Net Position and Fund Balances

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

The government-wide financial statements utilize a net position presentation. Net position represents the difference between assets plus deferred outflow of resources, as compared to liabilities plus deferred inflow of resources, and is displayed in the following three components:

- *Net Investment in Capital Assets* - this component groups all capital assets, reduced by accumulated depreciation, and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of the assets.
- *Restricted Net Position* - this component represents net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - this component represents net position of the Town that is not restricted for any other purpose.

Governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the Town is bound to honor constraints on how specific amounts can be spent and are described as follows:

- Nonspendable Fund Balances - amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b) not in spendable form such as long-term notes receivable.
- Restricted Fund Balances - amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balances - amounts that can be used only for the *specific purposes* determined by a formal action of the Town Council, to establish, modify or rescind a fund balance commitment.
- Assigned Fund Balances - amounts that are constrained by the government's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the Town Council or its appointed official.
- Unassigned Fund Balances - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Town has set aside amounts for emergency situations or revenue shortages or budgetary imbalances, commonly referred to as *revenue stabilization*. The authority to set aside those amounts generally comes from statute, ordinance, resolution, constitution or policy. Stabilization amounts may be expended with Council approval only when certain specific circumstances exist as determined by Council at that time. When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to expend *restricted* fund balances first. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, it is the Town's policy to expend *committed*, then *assigned*, then *unassigned* amounts in that order.

Other Postemployment Benefits Plan (OPEB)

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

In government-wide financial statements, OPEB plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position (*plan assets owned*) as reflected in the actuarial report provided by the plan actuarial analyst. The net OPEB liability is measured as of the Town's prior fiscal year-end. Changes in the net OPEB liability are recorded, in the period incurred, as OPEB expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective OPEB plan and are recorded as a component of OPEB expense beginning with the period in which they are incurred.

Pension Plan

In government-wide financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position (*plan assets owned*) of the pension reflected in the actuarial report provided by the California Public Employees Retirement System (CalPERS). The net pension liability is measured as of the Town's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

- Property Valuations - are established by the Assessor of Marin County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- Tax Levies - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.
- Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

- Tax Collections - are the responsibility of the Marin County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.
- Tax Levy Apportionments - due to the nature of the Town-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total Town-wide levy for the three fiscal years prior to fiscal year 1979.
- Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

Note 3 - Stewardship, Compliance and Accountability

Budgetary Information

The Town follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The Town Manager submits to the Town Council a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Town Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is adopted through the passage of a resolution.
4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various Town departments. The Town Council may amend the budget by resolution during the fiscal year. The Town Manager may authorize transfers from one object or purpose to another within the same department, and between departments within the General Fund. All appropriations lapse at year end.

Economic Dependency

The Town received 49% of its total general fund revenue from one source; property taxes. Any reduction in assessed property values or reductions in the Town's property tax share due to the State's ongoing budget issues could impair the Town's operating budget.

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Revenue Limitations Imposed By California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in future years by the voters.

Note 4 - Cash and Investments

The Town follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and investments	\$	23,887,562
Statement of Fiduciary Assets & Liabilities		
Cash and investments with Town		1,126,837
Cash investments held by fiscal agent		56,837
		\$ 25,071,236
Cash and Investments are comprised of the following:		
Deposits with financial institutions:		
checking accounts	\$	537,939
Investment in State Investment Pool		24,476,461
US Treasury money market funds		56,836
		\$ 25,071,236

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits on an annual basis. At fiscal year-end PMIA had approximately \$103 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer.

The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town'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.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an

TOWN OF TIBURON
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investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the maturity date and yield of each investment:

		<u>Maturity / Yield</u>
State investment pool (LAIF)	\$24,476,461	due on demand, 1.47% yield
Trustee money market funds	56,836	due on demand, 0.10% yield

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the Town contains limitations on the amount that can be invested in any single issuer as follows: 5% for negotiable certificates of deposit and commercial paper, 15% for money market funds, 20% for federal agencies and US GSEs, and no limit for US Treasury Securities and LAIF. There are no investments in any single issuer that represent 5% or more of total Town investments. Nearly 99% of the Town's cash and investments at fiscal year-end were invested in LAIF.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). 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 Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Note 5 - Long-term Obligations

The following is a summary of changes in the Town's long-term debt and obligations as reported in the Governmental-wide financial statements:

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	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 333,084	\$ -	\$ (14,986)	\$ 318,098	\$ 79,524
Postemployment Benefits	2,225,740	-	(890,362)	1,335,378	
Net Pension Liability	7,934,808	828,059	-	8,762,867	
	<u>\$ 10,493,632</u>	<u>\$ 828,059</u>	<u>\$ (905,348)</u>	<u>\$ 10,416,343</u>	

Note 6 - Capital Assets

The following is a summary of changes in the Town's capital assets as reported in the Governmental-wide financial statements:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
<i><u>Non-depreciable Assets</u></i>				
Land	\$ 4,087,952	\$ -	\$ -	\$ 4,087,952
<i><u>Depreciable Assets</u></i>				
Buildings and improvements	8,803,013	39,036	-	8,842,049
Furniture and equipment	2,736,685	-	-	2,736,685
Infrastructure	62,328,696	82,433	-	62,411,129
<i>subtotal</i>	73,868,394	121,469	-	73,989,863
<i><u>Accumulated Depreciation</u></i>	<u>(41,871,414)</u>	<u>(2,235,286)</u>	<u>-</u>	<u>(44,106,700)</u>
Depreciable assets, net	<u>31,996,980</u>	<u>(2,113,817)</u>	<u>-</u>	<u>29,883,163</u>
<i><u>Net Capital Assets</u></i>	<u>\$ 36,084,932</u>	<u>\$ (2,113,817)</u>	<u>\$ -</u>	<u>\$ 33,971,115</u>

Note 7 - Special Assessment District Bond Obligations

The Town acts as an agent for collection of property taxes and repayment of several special assessment district improvement bonds issued on behalf of these districts located within the Town's boundary limits. Since the Town is not obligated in the event of any manner for these special assessment bonds, debt service payments, or default, the debt is not recorded in these financial statements.

In 2016, the Board of Directors of the Tiburon Public Financing Authority determined that it was in the best interest of the Town and the various local Special Assessment Districts to refund the existing bonds which would result in savings due to effective lower interest rates, thereby resulting in significant public benefits to the Town and the Authority within the contemplation of Section 6586 of the California Bond Law. The Board authorized the issuance and sale of \$10,505,000 of Tiburon Public Financing Authority 2016 Refunding Revenue Bonds. At fiscal year end, the outstanding balance of the bonds was \$9,365,000.

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Note 8 - Interfund Transfers

Operating interfund transfers for the fiscal year comprise the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund 101	\$ 37,236	\$ 265,192
Police COPS grant	-	37,236
Employee Compensated Leave	170,671	-
Disaster Response Reserve	94,521	-
	<u>\$ 302,428</u>	<u>\$ 302,428</u>

Note 9 - Other Postemployment Benefits Plan (“OPEB”)

Overview of the Plan

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB 75), requires public employers to comply with certain accounting and financial reporting standards. Under GASB 75, employers that participate in an OPEB plan administered as a trust or equivalent arrangement are required to record their portion of the net OPEB liability, OPEB expense, and deferred outflows/deferred inflows of resources related to OPEB plans in their financial statements as part of their financial position. Net OPEB liability is the plan’s total OPEB liability less the plan’s fiduciary net position (*plan assets owned*). This may be a net OPEB asset when the Plan’s fiduciary net position exceeds its total OPEB liability. OPEB expense is the change in net OPEB liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (OPEB income), which should be reported as a credit in OPEB expense. Deferred outflows of resources and deferred inflows of resources related to OPEB plans are certain changes in total OPEB liability and fiduciary net position that are to be recognized in future OPEB expense.

Plan Description and Eligibility

The Town of Tiburon provides retiree medical benefits to employees who retire from the Town at age 50 or later with at least 5 years of service and are eligible for a CalPERS pension. Employees who retire due to disability are also eligible. Dental benefits are not provided to retirees. The amount and type of benefit is contingent upon date of hire.

In addition to the above, retirees with 15 or more years of Town service are eligible to receive a monthly benefit based on the monthly premium charged by CalPERS for Kaiser single person coverage. However, this benefit does not apply to Manager and Mid-Management employees hired after July 1, 2009, Police employees hired after July 1, 2010, or SEIU employees hired after July 1, 2014.

The benefit amount is the below percentage of the Kaiser premium at the time of retirement. The amounts, which are paid by the Town directly to retirees, are fixed at retirement and do not increase in subsequent years. The benefit amount does not decrease at age 65 even though Kaiser Premiums decrease substantially at that age. This benefit continues only for the life of the retiree.

- 15 – 19 years of service 50%
- 20 – 24 years of service 75%
- 25 or more years of service 100%

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Retirees may select any retiree medical plan offered by CalPERS, including spouse or family coverage, but must incur the cost of premiums exceeding the above benefits.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active employees	41
Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to, but not yet receiving benefits	-
Total	67

Contributions

The obligation of the Town to contribute to the plan is established and may be amended by the Town Council. The contribution required to be made is based on a pay-as-you-go basis (ie, as medical insurance premiums become due). The employer cash contributions totaled \$193,635 for the year.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019
Reporting Date	June 30, 2020

Actuarial Assumptions:

Funding Method	Entry age normal cost, level of percent of pay
Amortization Method	Straight-line amortization over a closed 5-year period
Discount Rate	6.50% based on a PARS Balanced investment policy
Net Investment Return	6.50% based on a PARS Balanced investment policy
General Inflation	2.26%
Payroll Growth Rate	3.25%
Participation Rate	100% for employees that qualify for subsidized coverage 50% for future employees
Healthcare Trend Rate	5.00% to 7.80% over a 12 year period
Morbidity Factors	Derived using CalPERS membership 2014 study

Funded Status

Total OPEB Plan Liability	\$ 3,677,790
Plan Fiduciary Net Position (<i>assets owned</i>)	2,342,412
Net OPEB Plan Liability	1,335,378
Service Cost for the fiscal year	107,248
Aggregate OPEB Expense	(105,340)

Discount Rate

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The discount rate used to measure the total OPEB liability was 6.50% which the Actuary has determined is a reasonable long-term assumption of the Town's expected return on its investments. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of June 30, 2019 are as follows.

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (1)</u>
Equity	58%	5.66%
Fixed Income	35%	1.41%
REITs	2%	5.06%
Cash	5%	-0.26%

(1) JP Morgan Long-term Capital Market assumptions and expected inflation of 2.26%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

	<u>Discount Rate -1%</u>	<u>Current Rate</u>	<u>Discount Rate +1%</u>
	5.50%	6.50%	7.50%
Net OPEB liability / (assets)	\$1,782,990	\$1,335,378	\$962,366

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability calculated using the Healthcare Cost Trend discount rate assumed to start at 8.0% (effective January 1, 2018) down grade down to 5% for years 2031 and thereafter. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

	<u>Current Trend -1%</u>	<u>Current Trend Rate</u>	<u>Current Trend +1%</u>
	5.50%	6.5%	7.50%
Net OPEB liability / (assets)	\$1,072,582	\$1,335,378	\$1,658,116

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 312,235	\$ -
Differences between projected and actual experience	-	141,838
Changes of assumptions	-	1,479,151
Net difference between projected and actual earnings of OPEB Plan investments	-	46,229
Totals	\$ 312,235	\$ 1,667,218

The Town will recognize the deferred outflow contributions in the next fiscal year. In addition, future recognition of these deferred inflows of resources is shown below:

<u>Year Ending June 30:</u>	
2021	\$ (341,029)
2022	(341,030)
2023	(326,421)
2024	(326,793)
2025	(259,853)
thereafter	(72,092)
	\$ (1,667,218)

Note 10 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Overview of the Plan

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), requires public employers to comply with certain accounting and financial reporting standards. Under GASB 68, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record their portion of the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. Net pension liability is the plan's total pension liability based on the entry age normal actuarial cost method less the plan's fiduciary net position (*plan assets owned*). This may be a net pension asset when the Plan's fiduciary net position exceeds its total pension liability. Pension expense is the change in net pension liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (pension income), which should be reported as a credit in pension expense. Deferred outflows of resources and deferred inflows of resources related to pensions are certain changes in total pension liability and fiduciary net position that are to be recognized in future pension expense.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are

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recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website: <https://www.calpers.ca.gov>

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019
Reporting Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Straight-line amortization over 5-year period
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% net of investment expenses
Post Retirement Benefit Increase	Contract COLA up to 2.5%

Funded Status

Total Pension Plan Liability	\$ 39,015,255
Plan Fiduciary Net Position (<i>assets owned</i>)	30,252,388
Net Pension Plan Liability	8,762,867
Pension plan expense for the fiscal year	1,857,621

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Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	<u>Allocation</u>
Global Equity	50.00%
Fixed Income	28.00%
Private Equity	8.00%
Real Assets	13.00%
Liquid Assets	1.00%
	100.00%

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

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The amortization period differs depending on the source of the gain or loss, as follows:

- Net Difference between projected and actual earnings on pension plan investments: 5 year straight-line amortization.
- All Other Amounts: Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the unfunded net pension liability calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate -1%	Current Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 14,057,928	\$ 8,762,867	\$ 4,406,448

Deferred Outflows/Inflows of Resources Related to Pensions

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 578,343	\$ (11,605)
Changes of assumptions	388,849	(109,554)
Net differences between projected and actual investment earnings	-	(137,061)
Change in employer's proportion	336,383	(67,924)
Differences between employer's contributions and the employer's proportionate share of contributions	-	(504,661)
Pension contributions subsequent to measurement date	920,861	-
Totals	\$ 2,224,436	\$ (830,805)

Recognition of Deferred Outflows and Inflows of Resources in Future Pension Expense as follows:

Year Ending June 30:	
2021	\$ 496,559
2022	(93,307)
2023	42,268
2024	27,250
2025	-
thereafter	-
	\$ 472,770

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Note 11 - Commitments and Contingencies

The Town receives funding from a number of federal, state and local grant programs. These programs are subject to financial and compliance review by grantors. Accordingly, the Town's compliance with applicable grant requirements will be determined at some future date. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The Town does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of this federal, state and local grant revenue is not assured in the future.

The Town participates in a Joint Powers Agreement through the Marin Emergency Radio Authority (MERA) under an operating agreement dated February 1, 1999, which provides a public safety radio system to its members. The Town has committed to pay a pro-rata share of MERA's operations costs and debt service through year 2022, which are projected at approximately \$90,000 per year.

Note 12 - Risk Management

General Liability

The Town participates in the Association of Bay Area Governments (ABAG Plan), a Joint Exercise of Power Agency. The ABAG Plan provides the Town with coverage for general liability, excess liability, public official bond, property, and crime insurance, with various deductibles. For those liability claims below \$50,000 per occurrence, the Town is self-insured. ABAG Plan members may receive rebates when so declared by ABAG. In the event excess liability claims exceed available resources, members may be required to make additional contributions.

The ABAG Plan is a self-insured, risk-sharing pool comprised of 100 member local agencies, counties, towns and cities in the San Francisco, Oakland, North and East Bay areas. The governing body includes one person from each member city, town, or agency with an annual election for the executive committee positions. Financial statements may be obtained from ABAG, Post Office Box 2050, Oakland, California 94604.

Workers' Compensation

The Town participates in a joint powers agreement through the Bay Cities Joint Powers Insurance Authority (BCJPIA). Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Town currently reports all of its risk management activities in its general fund self-insurance reserve.

BCJPIA was created as a California Public Agency by an agreement between certain public agencies in the San Francisco Bay Area to provide workers' compensation coverage. BCJPIA is governed by a Board of Directors which is comprised of officials appointed by each member city, town or agency.

The workers' compensation fund is self-insured for the first \$150,000 of loss per accident; excess coverage policy is provided by an outside insurance carrier up to statutory limits. Financial statements may be obtained from BCJPIA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

Note 13 - Subsequent Events

The management of the Town has reviewed the results of operations for the period from its year end June 30, 2020 through December 7, 2020, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the

TOWN OF TIBURON
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accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 14 - New Pronouncements

The Governmental Accounting Standards Board (GASB) has released the following new pronouncements, which can be read in their entirety at <http://www.gasb.org>

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements in this Statement are effective for fiscal years beginning after June 30, 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2020

Note 15 - Fund Balance Designations Section of the Balance Sheet

Governmental Fund Balances	General Fund	Tiburon Street Impact Fund	Nonmajor Governmental Funds	Total
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Streets and sidewalks	-	2,505,578	-	2,505,578
Parks in-lieu	-	-	40,562	40,562
Open space acquisition	-	-	206,859	206,859
Planning area mitigation	-	-	197,644	197,644
Storm water run-off	-	-	93,788	93,788
Circulation system improvement	-	-	139,767	139,767
Bunch grass mitigation	-	-	140,013	140,013
Police law enforcement	-	-	-	-
Cypress Hollow LLD	-	-	19,038	19,038
Measure A sales tax parks	-	-	50,706	50,706
Gas tax - streets/sidewalks	-	-	1,481,523	1,481,523
Measure A sales tax TAM	-	-	557,242	557,242
Measure B sales tax streets	-	-	115,384	115,384
State RMRA	-	-	333,799	333,799
Total restricted fund balances	<u>-</u>	<u>2,505,578</u>	<u>3,376,325</u>	<u>5,881,903</u>
Committed to:				
Operating reserve	3,000,000	-	-	3,000,000
Reserve employee leave	250,000	-	-	250,000
Reserve PW facility	3,497,788	-	-	3,497,788
Reserve self insurance	250,004	-	-	250,004
Reserve capital equipment	530,083	-	-	530,083
Reserve technology equipment	601,855	-	-	601,855
Reserve park improvements	525,921	-	-	525,921
Reserve open space mgmt	25,141	-	-	25,141
Reserve disaster response	99,560	-	-	99,560
Reserve streets & drainage	1,360,005	-	-	1,360,005
Reserve infrastructure	1,151,126	-	-	1,151,126
Long-range planning	-	-	411,324	411,324
LMI Housing	-	-	1,205,125	1,205,125
Total committed fund balances	<u>11,291,483</u>	<u>-</u>	<u>1,616,449</u>	<u>12,907,932</u>
Assigned:				
Town owned housing units	-	-	220,855	220,855
Heritage & Arts project	-	-	10,303	10,303
Playground equipment	-	-	2,030	2,030
Paula Little Flower fund	-	-	28,533	28,533
Total assigned fund balances	<u>-</u>	<u>-</u>	<u>261,721</u>	<u>261,721</u>
Unassigned	<u>3,479,367</u>	<u>-</u>	<u>-</u>	<u>3,479,367</u>
Total Fund Balances	<u>\$ 14,770,850</u>	<u>\$ 2,505,578</u>	<u>\$ 5,254,495</u>	<u>\$ 22,530,923</u>

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Year Ended June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

The proportion (percentage) of the collective net pension liability represents the Town's share of both cost-sharing plan assets (the miscellaneous and safety plans) offset against the actuarial determined collective pension liability.

The proportionate share (dollar amount) of the collective net pension liability represents the Town's share of both cost-sharing plan assets offset against the actuarial determined collective pension liability.

The employer's covered-employee payroll represents the payroll of employees that are provided with pensions through the applicable miscellaneous or safety pension plan.

Schedule of Contributions

The employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer's actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer's actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 6 Fiscal Years *

Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability:	Measurement Date - Fiscal Year Ending June 30					
	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	0.0855%	0.0823%	0.0824%	0.0827%	0.0789%	0.0841%
Town's proportionate share of the net pension liability	\$ 8,762,867	\$ 7,934,808	\$ 8,168,481	\$ 7,159,119	\$ 5,412,997	\$ 5,232,395
Town's covered-employee payroll **	\$ 4,003,145	\$ 3,626,434	\$ 3,397,462	\$ 3,215,899	\$ 3,297,050	\$ 3,503,315
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	219%	219%	240%	223%	164%	149%
Plan fiduciary net position as a percentage of the total pension liability	75%	75%	73%	74%	78%	81%

Schedule of the Town's Contributions	Fiscal Year Ending June 30					
	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 920,861	\$ 807,481	\$ 680,145	\$ 626,552	\$ 553,153	\$ 463,611
Contributions in relation to the contractually required employer contribution	920,861	807,481	880,145	816,552	753,153	463,611
Contribution (excess) deficiency	\$ -	\$ -	\$ (200,000)	\$ (190,000)	\$ (200,000)	\$ -
Town's covered-employee payroll ***	\$ 3,985,304	\$ 4,003,145	\$ 3,626,434	\$ 3,397,462	\$ 3,215,899	\$ 3,297,050
Contributions as a percentage of covered-employee payroll	23%	20%	24%	24%	23%	14%

*Fiscal year 2015 was the first year of implementation, therefore only 6 years are shown

** for the measurement date fiscal year

*** for the fiscal year ending on the date shown

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios,
and Schedule of OPEB Contributions
Last Three Fiscal Years*

For Reporting at Fiscal Year End June 30:	2020	2019	2018
Measurement Date - Fiscal Year Ending June 30:	2019	2018	2017
<u>Total OPEB Liability</u>			
Service cost	\$ 107,248	\$ 102,141	\$ 224,595
Interest	243,714	235,026	163,787
Changes of benefit terms	-	-	65,466
Differences between expected and actual experience	(83,754)	(44,718)	(56,071)
Changes of assumptions	(133,281)	-	(2,279,851)
Benefit payments	(193,635)	(135,075)	(119,394)
Net Change in Total OPEB Liability	(59,708)	157,374	(2,001,468)
Total OPEB Liability - beginning	3,737,498	3,580,124	5,581,592
Total OPEB Liability - ending (a)	3,677,790	3,737,498	3,580,124
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	886,348	174,596	1,409,411
Net investment income	142,931	89,398	98,547
Benefit payments	(193,635)	(135,075)	(119,394)
Administrative expenses	(4,990)	(3,642)	(2,083)
Net Change in Plan Fiduciary Net Position	830,654	125,277	1,386,481
Plan Fiduciary Net Position - beginning	1,511,758	1,386,481	n/a
Plan Fiduciary Net Position - ending (b)	2,342,412	1,511,758	1,386,481
<u>Plan Net OPEB Liability - ending (a) - (b)</u>	<u>\$ 1,335,378</u>	<u>\$ 2,225,740</u>	<u>\$ 2,193,643</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	64%	40%	39%
Covered-employee payroll	\$ 3,823,181	\$ 3,753,084	\$ 3,853,068
Net OPEB liability as a percentage of covered-employee payroll	35%	59%	57%
<u>Schedule of OPEB Contributions</u>			
Actuarially determined contributions	\$ 254,559	\$ 257,809	\$ 318,222
Contributions in relation to the actuarially determined contribution	886,348	174,596	1,409,411
Contribution deficiency (excess)	\$ (631,789)	\$ 83,213	\$ (1,091,189)
Covered-employee payroll	\$ 3,823,181	\$ 3,753,084	\$ 3,853,068
Contributions as a percentage of covered-employee payroll	23%	5%	37%

*Fiscal year 2018 was the first year of implementation, therefore only 3 years are shown

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
Year Ended June 30, 2020

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to the close of each fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenue and expenditures.
- Public hearings are conducted at Town Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through Council approved resolution.
- The Town Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Town's needs; however, revisions that alter the total expenditures must be approved by the Town Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the Town Council.

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
General Fund No. 101
Year Ended June 30, 2020

	Budget Amounts (unaudited)		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows)				
Property taxes	\$ 6,042,474	\$ 6,042,474	\$ 6,348,923	\$ 306,449
Other taxes	1,684,397	1,684,397	1,522,588	(161,809)
Franchise fees	712,652	712,652	722,417	9,765
Fines and forfeitures	110,000	110,000	208,342	98,342
Investment earnings	260,050	260,050	242,163	(17,887)
Intergovernmental and agency	286,994	286,994	293,740	6,746
Licenses and permits	917,943	917,943	880,721	(37,222)
Charges for services	424,211	424,211	738,082	313,871
Other revenue	139,847	139,847	118,242	(21,605)
Transfers in	-	-	302,428	302,428
Amounts Available for Appropriation	<u>10,578,568</u>	<u>10,578,568</u>	<u>11,377,646</u>	<u>799,078</u>
Charges to Appropriations (outflow)				
Town administration	1,939,260	1,939,260	1,798,421	140,839
Community development	1,471,643	1,471,643	1,270,003	201,640
Public safety	3,667,789	3,667,789	3,552,145	115,644
Public works	2,205,419	2,205,419	1,953,686	251,733
Nondepartmental	3,326,141	3,326,141	1,692,347	1,633,794
Capital improvement projects	-	-	77,050	(77,050)
Transfers out	-	-	265,192	(265,192)
Total Charges to Appropriations	<u>12,610,252</u>	<u>12,610,252</u>	<u>10,608,844</u>	<u>2,001,408</u>
Surplus (Deficit)	<u>\$ (2,031,684)</u>	<u>\$ (2,031,684)</u>	<u>\$ 768,802</u>	<u>\$ 2,800,486</u>

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
Tiburon Street Impact Fund No. 390
Year Ended June 30, 2020

	Budget Amounts (unaudited)		Actual	Variance with
	Original	Final		Final Budget
Resources (inflows)			Amounts	Positive
				(Negative)
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	-	-	45,221	45,221
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	420,000	420,000	492,246	72,246
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Amounts Available for Appropriation	420,000	420,000	537,467	117,467
 Charges to Appropriations (outflow)				
Town administration	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Nondepartmental	-	-	-	-
Capital improvement projects	281,955	281,955	715,780	(433,825)
Transfers out	-	-	-	-
Total Charges to Appropriations	281,955	281,955	715,780	(433,825)
 Surplus (Deficit)	\$ 138,045	\$ 138,045	\$ (178,313)	\$ (316,358)

OTHER SUPPLEMENTARY INFORMATION

Combining Funds Financial Statements

TOWN OF TIBURON
General Fund
Combining Balance Sheet
Year Ended June 30, 2020

	General Operation	Employee Compensated Leave	Public Works Facility	Self Insurance Reserve	Capital Equip. Replace.	Technology Fund	Park Develop	Open Space Mgmt.	Disaster Response Reserve	Streets & Drainage Reserve	Capital Outlay Reserve	TOTALS
ASSETS												
Cash & investments	\$ 6,937,071	\$ 250,000	\$ 3,497,788	\$ 473,004	\$ 530,083	\$ 610,311	\$ 593,724	\$ 25,141	\$ 100,000	\$ 1,743,980	\$ 1,151,126	\$ 15,912,229
Receivables	658,585	-	-	-	-	-	-	-	-	17,500	-	676,085
Totals	<u>\$ 7,595,656</u>	<u>\$ 250,000</u>	<u>\$ 3,497,788</u>	<u>\$ 473,004</u>	<u>\$ 530,083</u>	<u>\$ 610,311</u>	<u>\$ 593,724</u>	<u>\$ 25,141</u>	<u>\$ 100,000</u>	<u>\$ 1,761,480</u>	<u>\$ 1,151,126</u>	<u>\$ 16,588,314</u>
LIABILITIES												
Accounts payable	\$ 175,668	\$ -	\$ -	\$ -	\$ -	\$ 8,456	\$ 42,803	\$ -	\$ 440	\$ 401,475	\$ -	\$ 628,843
Accrued liabilities	-	-	-	223,000	-	-	-	-	-	-	-	223,000
Deposits	940,621	-	-	-	-	-	25,000	-	-	-	-	965,621
Totals	<u>1,116,289</u>	<u>-</u>	<u>-</u>	<u>223,000</u>	<u>-</u>	<u>8,456</u>	<u>67,803</u>	<u>-</u>	<u>440</u>	<u>401,475</u>	<u>-</u>	<u>1,817,464</u>
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Committed	3,000,000	250,000	3,497,788	250,004	530,083	601,855	525,921	25,141	99,560	1,360,005	1,151,126	11,291,483
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	3,479,367	-	-	-	-	-	-	-	-	-	-	3,479,367
Totals	<u>6,479,367</u>	<u>250,000</u>	<u>3,497,788</u>	<u>250,004</u>	<u>530,083</u>	<u>601,855</u>	<u>525,921</u>	<u>25,141</u>	<u>99,560</u>	<u>1,360,005</u>	<u>1,151,126</u>	<u>14,770,850</u>
Total Liabilities & Fund Balances	<u>\$ 7,595,656</u>	<u>\$ 250,000</u>	<u>\$ 3,497,788</u>	<u>\$ 473,004</u>	<u>\$ 530,083</u>	<u>\$ 610,311</u>	<u>\$ 593,724</u>	<u>\$ 25,141</u>	<u>\$ 100,000</u>	<u>\$ 1,761,480</u>	<u>\$ 1,151,126</u>	<u>\$ 16,588,314</u>

TOWN OF TIBURON
General Fund
Combining Statement of Revenue, Expenditures and Change in Fund Balances
Year Ended June 30, 2020

	General Operation	Employee Compensated Leave	Public Works Facility	Self Insurance Reserve	Capital Equip. Replace.	Technology Fund	Park Develop	Open Space Mgmt.	Disaster Response Reserve	Streets & Drainage Reserve	Capital Outlay Reserve	TOTALS
REVENUE												
Property taxes	\$ 6,348,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,348,923
Other taxes	1,522,588	-	-	-	-	-	-	-	-	-	-	1,522,588
Franchises	722,417	-	-	-	-	-	-	-	-	70,000	-	792,417
Fines and penalties	208,342	-	-	-	-	-	-	-	-	-	-	208,342
Investment earnings	242,164	-	-	-	-	-	-	-	-	-	-	242,164
Intergovernmental & agency	293,740	-	-	-	-	-	-	-	-	-	-	293,740
Licenses and permits	880,721	-	-	-	-	-	-	-	-	-	-	880,721
Charges for services	738,082	-	-	-	-	-	-	-	-	-	-	738,082
Other revenue	118,242	-	-	-	122,200	131,091	-	-	-	-	-	371,533
Total Revenue	11,075,219	-	-	-	122,200	131,091	-	-	-	70,000	-	11,398,510
EXPENDITURES												
Current -												
Town administration	1,798,421	-	-	-	-	68,926	-	-	-	-	-	1,867,346
Community development	1,270,003	12,513	-	-	-	26,933	-	-	-	-	-	1,309,450
Public safety	3,552,145	44,037	-	-	18,794	28,421	-	-	-	-	-	3,643,398
Public works/streets	1,953,686	36,074	-	-	57,500	15,188	9,943	-	680	-	-	2,073,072
Nondepartmental	1,692,347	-	-	-	-	-	-	-	-	-	-	1,692,347
Capital Projects	77,050	-	83,845	-	-	-	67,902	-	41,558	557,875	-	828,231
Total Expenditures	10,343,653	92,623	83,845	-	76,294	139,469	77,846	-	42,238	557,875	-	11,413,843
Excess Revenue over (under) Expenditures	731,566	(92,623)	(83,845)	-	45,906	(8,378)	(77,846)	-	(42,238)	(487,875)	-	(15,333)
OTHER FINANCING SOURCES												
Operating transfers in	37,236	170,671	-	-	-	-	-	-	94,521	-	-	302,428
Operating transfers (out)	(265,192)	-	-	-	-	-	-	-	-	-	-	(265,192)
Total Other Sources	(227,956)	170,671	-	-	-	-	-	-	94,521	-	-	37,236
CHANGE IN FUND BALANCES	503,610	78,048	(83,845)	-	45,906	(8,378)	(77,846)	-	52,283	(487,875)	-	21,903
Fund Balances - Beginning	5,975,758	171,952	3,581,633	250,004	484,177	610,233	603,766	25,141	47,277	1,847,880	1,151,126	14,748,949
Fund Balances - End of Year	\$ 6,479,368	\$ 250,000	\$ 3,497,788	\$ 250,004	\$ 530,083	\$ 601,856	\$ 525,921	\$ 25,141	\$ 99,560	\$ 1,360,005	\$ 1,151,126	\$ 14,770,852

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Balance Sheet
Year Ended June 30, 2020

	Capital Projects Funds:											Total
	Town's Housing Units	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu	Open Space Acquisition	Planning Area Mitigation	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Tiburon Long Range Planning	Total Capital Project Funds
ASSETS												
Cash & investments	\$ 240,350	\$ 10,303	\$ 1,205,125	\$ -	\$ 70,562	\$ 206,859	\$ 197,643	\$ 113,788	\$ 139,767	\$ 140,013	\$ 411,324	\$ 2,735,735
Receivables	-	-	-	2,030	-	-	-	-	-	-	-	2,030
Totals	<u>\$ 240,350</u>	<u>\$ 10,303</u>	<u>\$ 1,205,125</u>	<u>\$ 2,030</u>	<u>\$ 70,562</u>	<u>\$ 206,859</u>	<u>\$ 197,643</u>	<u>\$ 113,788</u>	<u>\$ 139,767</u>	<u>\$ 140,013</u>	<u>\$ 411,324</u>	<u>\$ 2,737,765</u>
LIABILITIES												
Accounts payable	\$ 8,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,620
Accrued liabilities	-	-	-	-	30,000	-	-	20,000	-	-	-	50,000
Deposits	10,875	-	-	-	-	-	-	-	-	-	-	10,875
Totals	<u>19,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,495</u>
FUND BALANCES												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	40,562	206,859	197,643	93,788	139,767	140,013	-	818,633
Committed	-	-	1,205,125	-	-	-	-	-	-	-	411,324	1,616,449
Assigned	220,855	10,303	-	-	-	-	-	-	-	-	-	231,158
Unassigned	-	-	-	2,030	-	-	-	-	-	-	-	2,030
Totals	<u>220,855</u>	<u>10,303</u>	<u>1,205,125</u>	<u>2,030</u>	<u>40,562</u>	<u>206,859</u>	<u>197,643</u>	<u>93,788</u>	<u>139,767</u>	<u>140,013</u>	<u>411,324</u>	<u>2,668,270</u>
Total Liabilities & Fund Balances	<u>\$ 240,350</u>	<u>\$ 10,303</u>	<u>\$ 1,205,125</u>	<u>\$ 2,030</u>	<u>\$ 70,562</u>	<u>\$ 206,859</u>	<u>\$ 197,643</u>	<u>\$ 113,788</u>	<u>\$ 139,767</u>	<u>\$ 140,013</u>	<u>\$ 411,324</u>	<u>\$ 2,737,765</u>

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Balance Sheet
Year Ended June 30, 2020

	Special Revenue Funds:								Total	Total	Total
	Police	Cypress		Measure A	State	Measure A	Measure B		Special	Capital	Nonmajor
	Supp Law	Hollow	Paula Little	Sales Tax	Gasoline	Sales Tax	VLF	State	Revenue	Project	Governmental
	Enforcement	LLD-98	Flower Fund	Parks	Tax	TAM	Roads	RMRA	Funds	Funds	Funds
ASSETS											
Cash & investments	\$ -	\$ 19,545	\$ 28,533	\$ 50,706	\$ 1,481,668	\$ 557,242	\$ 115,384	\$ 333,799	\$ 2,586,878	\$ 2,735,735	\$ 5,322,612
Receivables	-	-	-	-	-	-	-	-	-	2,030	2,030
Totals	\$ -	\$ 19,545	\$ 28,533	\$ 50,706	\$ 1,481,668	\$ 557,242	\$ 115,384	\$ 333,799	\$ 2,586,878	\$ 2,737,765	\$ 5,324,642
LIABILITIES											
Accounts payable	\$ -	\$ 507	\$ -	\$ -	\$ 145	\$ -	\$ -	\$ -	\$ 652	\$ 8,620	\$ 9,272
Accrued liabilities	-	-	-	-	-	-	-	-	-	50,000	50,000
Deposits	-	-	-	-	-	-	-	-	-	10,875	10,875
Totals	-	507	-	-	145	-	-	-	652	69,495	70,147
FUND BALANCES											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	19,038	-	50,706	1,481,523	557,242	115,384	333,799	2,557,693	818,633	3,376,325
Committed	-	-	-	-	-	-	-	-	-	1,616,449	1,616,449
Assigned	-	-	28,533	-	-	-	-	-	28,533	231,158	259,692
Unassigned	-	-	-	-	-	-	-	-	-	2,030	2,030
Totals	-	19,038	28,533	50,706	1,481,523	557,242	115,384	333,799	2,586,226	2,668,270	5,254,495
Total Liabilities &											
Fund Balances	\$ -	\$ 19,545	\$ 28,533	\$ 50,706	\$ 1,481,668	\$ 557,242	\$ 115,384	\$ 333,799	\$ 2,586,878	\$ 2,737,765	\$ 5,324,642

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures and Change in Fund Balances
Year Ended June 30, 2020

	Capital Project Funds:											Total
	Town's Housing Units	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu	Open Space Acquisition	Planning Area Mitigation	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Tiburon Long Range Planning	Total Capital Project Funds
REVENUE												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Franchises	-	-	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	3,468	123	19,523	-	1,129	3,321	3,169	1,656	2,154	2,246	6,303	43,092
Intergovernmental & agency	-	4,730	-	-	-	-	-	-	-	-	-	4,730
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	18,536	5,276	-	-	23,812
Other revenue	129,645	-	-	-	-	-	-	-	-	-	41,753	171,397
Total Revenue	133,113	4,853	19,523	-	1,129	3,321	3,169	20,192	7,430	2,246	48,056	243,031
EXPENDITURES												
Current -												
Town administration	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-
Public safety/streets	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Nondepartmental	78,989	-	-	-	-	-	-	-	-	-	-	78,989
Capital improvement projects	12,378	-	35,848	-	-	-	-	-	-	-	-	48,226
Total Expenditures	91,367	-	35,848	-	-	-	-	-	-	-	-	127,215
Excess Revenue over (under) Expenditures	41,745	4,853	(16,325)	-	1,129	3,321	3,169	20,192	7,430	2,246	48,056	115,816
OTHER FINANCING SOURCES												
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Sources	-	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN FUND BALANCES	41,745	4,853	(16,325)	-	1,129	3,321	3,169	20,192	7,430	2,246	48,056	115,816
Fund Balances - Beginning	179,109	5,450	1,221,450	2,030	39,433	203,538	194,474	73,597	132,337	137,767	363,268	2,552,454
Fund Balances - End of Year	\$ 220,855	\$ 10,303	\$ 1,205,125	\$ 2,030	\$ 40,562	\$ 206,859	\$ 197,643	\$ 93,788	\$ 139,767	\$ 140,013	\$ 411,324	\$ 2,668,270

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures and Change in Fund Balances
Year Ended June 30, 2020

	Special Revenue Funds:								Total	Total	Total
	Police	Cypress		Measure A	State	County	Measure B		Special	Capital	Nonmajor
	Supp Law	Hollow	Paula Little	Parks	Gasoline	Measure A	VLF	State	Revenue	Project	Governmental
	Enforcement	LLD-98	Flower Fund	Sales Tax	Tax	Sales Tax	Roads	RMRA	Funds	Funds	Funds
REVENUE											
Property taxes	\$ -	\$ 16,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,544	\$ -	\$ 16,544
Other taxes	-	-	-	-	-	-	-	-	-	-	-
Franchises	-	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	216	453	1,229	23,284	5,491	1,852	3,924	36,448	43,092	79,540
Intergovernmental & agency	37,234	-	8,810	72,719	220,732	214,862	-	180,639	734,996	4,730	739,726
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	23,812	23,812
Other revenue	-	-	-	-	-	-	-	-	-	171,397	171,397
Total Revenue	37,234	16,760	9,263	73,948	244,016	220,353	1,852	184,562	787,988	243,031	1,031,019
EXPENDITURES											
Current -											
Town administration	-	-	-	-	1,697	-	-	-	1,697	-	1,697
Community development	-	-	-	-	-	-	-	-	-	-	-
Public safety/streets	-	-	-	-	-	-	-	-	-	-	-
Public works	-	20,124	7,940	86,627	1,638	-	-	-	116,329	-	116,329
Nondepartmental	-	-	-	-	-	-	-	-	-	78,989	78,989
Capital improvement projects	-	-	-	-	506,770	-	-	3,328	510,099	48,226	558,325
Total Expenditures	-	20,124	7,940	86,627	510,106	-	-	3,328	628,125	127,215	755,340
Excess Revenue over (under) Expenditures	37,234	(3,364)	1,322	(12,679)	(266,090)	220,353	1,852	181,234	159,863	115,816	275,679
OTHER FINANCING SOURCES											
Operating transfers in (out)	(37,234)	-	-	-	-	-	-	-	(37,234)	-	(37,234)
Total Other Sources	(37,234)	-	-	-	-	-	-	-	(37,234)	-	(37,234)
CHANGE IN FUND BALANCES	-	(3,364)	1,322	(12,679)	(266,090)	220,353	1,852	181,234	122,629	115,816	238,445
Fund Balances - Beginning	-	22,402	27,211	63,385	1,747,613	336,889	113,532	152,565	2,463,597	2,552,454	5,016,051
Fund Balances - End of Year	\$ -	\$ 19,038	\$ 28,533	\$ 50,706	\$ 1,481,523	\$ 557,242	\$ 115,384	\$ 333,799	\$ 2,586,226	\$ 2,668,270	\$ 5,254,496

