

**TOWN OF TIBURON**  
*California*

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**Annual Financial Report**

**Year Ended  
June 30, 2021**

# TOWN OF TIBURON

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# MARCELLO & COMPANY

## CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021, 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, 2021, 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  
September 24, 2021

***MANAGEMENT'S DISCUSSION & ANALYSIS***

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

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

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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, 2021 (FY 2021). 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 are 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

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## 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 \$50.3 million. Of this amount, \$7.2 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 million, and net capital assets totaled \$38.3 million on June 30, 2021, representing 37% and 62% of the Town's total assets, respectively.

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

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- The Town's liabilities totaled approximately \$12.2 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 \$11 million and program revenue of \$3 million) compared with total expenses of approximately \$12.7 million, resulting in an increase in net position of \$804,322.

### **Fund Financial Statement Highlights**

- At the close of FY 2021, the combined fund balance of the Town's Governmental Funds was \$22.9 million, which represents an increase of \$378,203 from the previous fiscal year. Of this combined fund balance, approximately \$16.1 million is from the General Fund, which is an increase of \$1.3 million from FY 2020. The detailed components of revenue and expenditures can be found in the accompanying Statement of Revenue, Expenditures, and Change in Fund Balances on page 16.

### **Town Highlights**

- The Town invested \$1,529,097 in its Pavement Maintenance and Rehabilitation Project.
- The Town continued making significant investments in the ORT Path Repairs Project, completed at a total cost \$599,965.
- The Town invested \$67,372 in Traffic Signal improvements during the fiscal year.
- The Town continues making investments in its storm drain infrastructure each fiscal year.

## **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 and deferred outflows exceeded liabilities and deferred inflows by \$50.4 million, an increase of \$4.3 million over the previous fiscal year's net position. By far the largest portion (76%) 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 2021 and FY 2020

	June 30		Amount Change	Percent Change
	2021	2020		
<b>Assets</b>				
Current and other assets	\$ 23,800,030	\$ 24,565,677	\$ (765,647)	-3%
Capital assets, net	38,255,601	33,971,115	4,284,486	13%
Total assets	<u>62,055,631</u>	<u>58,536,792</u>	<u>3,518,839</u>	6%
<b>Deferred Outflows of Resources</b>				
Deferred pension outflows	2,366,601	2,224,436	142,165	6%
Deferred OPEB outflows	231,683	312,235	(80,552)	-26%
Total assets and deferred outflows	<u>64,653,915</u>	<u>61,073,463</u>	<u>3,580,452</u>	6%
<b>Liabilities</b>				
Current liabilities	979,623	2,114,278	(1,134,655)	-54%
Noncurrent liabilities	213,863	238,574	(24,711)	-10%
Net pension liability	9,726,641	8,762,867	963,774	11%
Net OPEB liability	1,307,842	1,335,378	(27,536)	-2%
Total liabilities	<u>12,227,969</u>	<u>12,451,097</u>	<u>(223,128)</u>	-2%
<b>Deferred Inflows of Resources</b>				
Deferred pension inflows	739,371	830,805	(91,434)	-11%
Deferred OPEB inflows	1,298,728	1,667,218	(368,490)	-22%
Total liabilities and deferred inflows	<u>14,266,068</u>	<u>14,949,120</u>	<u>(683,052)</u>	-5%
<b>Net Position</b>				
Net investment in capital assets	38,255,601	33,971,115	4,284,486	13%
Restricted	4,857,892	5,881,903	(1,024,011)	-17%
Unrestricted	7,274,354	6,271,325	1,003,029	16%
Total net position	<u>\$ 50,387,847</u>	<u>\$ 46,124,343</u>	<u>\$ 4,263,504</u>	9%

- Current and other assets representing Cash and Investments in California's Local Agency Investment Fund have decreased by 3% or \$0.8 million over the prior year due to new investments in Capital assets and declining LAIF interest rates.
- Capital assets increased 13% or \$4.3 million over the prior fiscal year. This change is primarily due to capitalizing capital improvement projects completed in FY21.
- Deferred Outflows for the pension plan increased by 6% or \$142,000 and for the OPEB plan decreased by 26% or \$81,000. These changes are due to differences between actual and expected experience as well as differences between projected and actual earnings on plan investments, change in assumptions and employers' proportion.

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

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- Total liabilities decreased by 2% or \$223,000 over the prior year. This is primarily due to year-end accrued payables to vendors and contractors for capital projects.

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:

<b>Statement of Activities Comparison of FY 2021 and FY 2020</b>				
	June 30		Amount Change	Percent Change
	2021	2020		
<u>Revenue</u>				
Program revenue	\$ 2,580,720	\$ 2,134,861	\$ 445,859	21%
General revenue	10,952,312	10,832,133	120,179	1%
Total revenue	13,533,032	12,966,994	566,038	4%
<u>Expenses</u>				
General government	4,519,238	4,863,580	(344,342)	-7%
Public Safety	3,893,459	3,431,868	461,591	13%
Public Works	2,326,818	2,103,154	223,664	11%
Capital Improvements	89,326	2,019,904	(1,930,578)	-96%
Depreciation	1,899,869	2,235,286	(335,417)	-15%
Total expenses	12,728,710	14,653,792	(1,925,082)	-13%
Change in Net Position	804,322	(1,686,798)	2,491,120	-148%
Net Position - beginning	46,124,343	47,811,141	(1,686,798)	-4%
Prior period capital assets adjustment	3,459,182	-	3,459,182	
Net Position - beginning, as restated	49,583,525	47,811,141	(1,587,514)	-3%
Net Position - end of year	\$ 50,387,847	\$ 46,124,343	\$ 804,322	2%

- Program Revenue increased by \$0.4 million or 21% over the prior year. This increase was due to increases in planning, business license, and building service revenue.
- General Revenue increased by \$120,179, or 1% over the prior year. This slight increase was due to increases in sales tax, real property transfer and property tax collections.
- Total expenses decreased by 13% 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 2021, the Town received general fund revenue of \$11.8 million which represents a 4% increase compared to the previous fiscal year.

The table below compares general fund revenue by category for the fiscal years ended June 30, 2021, and 2020:

**General Fund Revenue Comparison**

	June 30		Amount Change	Percent Change
	2021	2020		
Property taxes	\$ 6,505,217	\$ 6,348,923	\$ 156,294	2%
Other taxes	1,475,092	1,522,588	(47,496)	-3%
Franchise fees	871,177	792,417	78,760	10%
Fines and penalties	110,197	208,342	(98,145)	-47%
Investment earnings	126,456	242,163	(115,707)	-48%
Intergovernmental	305,391	293,740	11,651	4%
Licenses and permits	1,167,137	880,721	286,416	33%
Charge for services	645,853	738,082	(92,229)	-12%
Other revenue	637,088	371,533	265,555	71%
	<u>\$ 11,843,608</u>	<u>\$ 11,398,509</u>	<u>\$ 445,099</u>	4%

- **Property Taxes.** In FY 2021 the Town realized a 2% or \$156,294 increase in overall property tax revenue.
- **Other Taxes.** Decrease of 3% or \$47,496 in other taxes is due to a reduction in transient occupancy taxes, sales taxes, and real property transfer taxes.
- **Franchise Fees.** Franchise fees increased by 10% or \$78,760 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 47% or \$98,145 over the prior year. Most of this decrease is due to construction and business *shelter-in-place* orders.
- **Investment Earnings.** Investment Earnings decreased 47% 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 a 33% increase in license and permit revenue in FY 2021. Building permits, design review, encroachment permit sources of revenue generated the variance.
- **Charge for Services.** This revenue category declined by 12% in FY 2021.

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

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**Expenditures**

General Fund expenditures decreased by 11% or \$1,239,236 in FY 2021. The two-year comparison table below illustrates the expenditure categories by department for the fiscal years ended June 30, 2021, and 2020:

**General Fund Expenditures Comparison**

	June 30		Amount Change	Percent Change
	2021	2020		
Town Administration	\$ 1,916,685	\$ 1,867,346	\$ 49,339	3%
Community Development	1,230,035	1,309,450	(79,415)	-6%
Public Safety	3,566,344	3,643,398	(77,054)	-2%
Public Works/Streets	2,163,259	2,073,072	90,187	4%
Nondepartmental	1,208,960	1,692,347	(483,387)	-29%
Capital Improvements	89,325	828,231	(738,906)	-89%
	<u>10,174,608</u>	<u>11,413,844</u>	<u>(1,239,236)</u>	-11%
Excess Revenue over (under) Expenditures	<u>\$ 1,669,000</u>	<u>\$ (15,335)</u>	<u>\$ 1,684,335</u>	

- Town Administration increased by 3% or \$49,339 over FY 2020. This is consistent with salary and benefit increases that were granted during the year, and changes in employee positions.
- Community Development expenses decreased by 6%. The decrease is due to a reduction in building inspection and professional service activities.
- Public Safety expenses decreased by 2% or \$77,054 from FY 2020. This is due to changes in employee positions.
- Public Works expenditures increased by 4% or \$90,187 over the previous year. This is consistent with salary and benefit increases that were granted during the year, and changes in employee positions.
- Nondepartmental expenses decreased by 29% or \$483,387 over FY 2020. The decrease is due to temporary expenditure reductions of (1) \$200,000 for the Town's unfunded pension liability, and (2) annual operating grants and contributions to the Yellow School Bus Program, the Ranch, and the Welcome Center.
- General Fund Capital Improvement expenditures decreased by 89% or \$738,906 over the previous fiscal year. The decrease is due in part to budgeting less general fund money for capital improvement projects, as well as \$500,000 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 2021 and 2020:

<b>Total Governmental Funds Comparison of FY 2021 and FY 2020</b>				
	June 30		Amount Change	Percent Change
	2021	2020		
<b>Revenue</b>				
Property Taxes	\$ 6,505,217	\$ 6,365,467	\$ 139,750	2%
Other Taxes	1,475,092	1,522,588	(47,496)	-3%
Franchise Fees	871,177	792,417	78,760	10%
Fines and Forfeitures	110,197	208,342	(98,145)	-47%
Interest Earnings	186,404	366,923	(180,519)	-49%
Intergovernmental	1,002,918	1,033,466	(30,548)	-3%
License and Permits	1,167,137	880,721	286,416	33%
Other Revenue	1,577,802	1,254,140	323,662	26%
Charge for Services	637,088	542,930	94,158	17%
Totals	13,533,032	12,966,994	566,038	4%
<b>Expenditures</b>				
Town Administration	1,918,083	1,869,041	49,042	3%
Community Development	1,596,476	1,309,450	287,026	22%
Public Safety	3,566,344	3,643,398	(77,054)	-2%
Public Works	2,321,025	2,189,401	131,624	6%
Nondepartmental	1,328,616	1,771,336	(442,720)	-25%
Capital Projects	2,424,285	2,102,336	321,949	15%
Totals	13,154,829	12,884,962	269,867	2%
Excess Revenue over (under) Expenditures	\$ 378,203	\$ 82,032	\$ 296,171	361%

**ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET**

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 2021-22 Budget in light of the economy's uncertain future.

The adopted budget for FY 2022 projects an operating surplus of \$97,455. General Fund revenue is anticipated to increase \$863,414 over the prior FY 2021 budget, and expenditures increase by \$766,911. The Town's largest tax revenue generator is property taxes. The Town is anticipating the FY 2022 tax roll to increase by approximately 6.7% over the previous year. Other taxes, such as Sales and Transient Occupancy Taxes, are anticipated to increase by 45.5%. Non-tax revenue is expected to decline approximately 2%.

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

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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 first year of a three-year agreement which expires on June 30, 2024. Negotiated salary increases under these contracts range between 2.75% and 3.0% for FY 2022. Unrepresented employees are covered under Resolution of the Town Council which expires on June 30, 2022.

Despite the continued 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, 2021**

	<b>Total Governmental Activities</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 23,004,729
Receivables	795,301
	23,800,030
<b>Noncurrent Assets</b>	
Capital assets not being depreciated	4,087,952
Capital assets, net of depreciation	34,167,649
Total noncurrent assets	38,255,601
Total assets	62,055,631
<b>Deferred Outflows of Resources</b>	
Deferred pension outflows	2,366,601
Deferred OPEB outflows	231,683
Total assets and deferred outflows of resources	64,653,915
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	224,230
Accrued liabilities	223,178
Deposits	460,927
Compensated absences - current	71,288
Total current liabilities	979,623
<b>Noncurrent Liabilities</b>	
Compensated absences	213,863
Net pension liability	9,726,641
Other postemployment benefits liability	1,307,842
Total noncurrent liabilities	11,248,346
Total liabilities	12,227,969
<b>Deferred Inflows of Resources</b>	
Deferred pension inflows	739,371
Deferred OPEB inflows	1,298,728
Total liabilities and deferred inflows of resources	14,266,068
<b>Net Position</b>	
Net investment in capital assets	38,255,601
Restricted	4,857,892
Unrestricted	7,274,354
Total net position	\$ 50,387,847

*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, 2021**

<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	\$ 4,519,238	\$ 825,040	\$ 301,744	\$ -	\$ (3,392,454)
Public safety	3,893,459	20,846	7,647	-	(3,864,966)
Public works/streets	2,326,818	731,916	693,527	-	(901,375)
Capital projects	89,326	-	-	-	(89,326)
Depreciation	1,899,869	-	-	-	(1,899,869)
Totals	<u>\$ 12,728,710</u>	<u>\$ 1,577,802</u>	<u>\$ 1,002,918</u>	<u>\$ -</u>	<u>(10,147,990)</u>

General Revenue:

Property taxes	6,505,217
Sales taxes	620,768
Transient occupancy tax	423,290
Property transfer taxes	431,034
Franchise fees	871,177
Fines and forfeitures	110,197
Investment earnings	186,404
License and permits	1,167,137
Other revenue	637,088
Total general revenue	<u>10,952,312</u>

<b>Change in Net Position</b>	804,322
Net Position - beginning	46,124,343
Prior period capital assets adjustment	3,459,182
Net Position - beginning, as restated	<u>49,583,525</u>
Net Position - end of year	<u>\$ 50,387,847</u>

*The accompanying notes are an integral part of these financial statements*

***FUND FINANCIAL STATEMENTS***

**TOWN OF TIBURON**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<b>General</b>	<b>Tiburon</b>	<b>Other</b>	<b>Total</b>
	<b>Fund</b>	<b>Street</b>	<b>Governmental</b>	<b>Governmental</b>
<b>ASSETS</b>	<b>Fund</b>	<b>Impact Fund</b>	<b>Funds</b>	<b>Funds</b>
Cash and investments	\$ 16,096,481	\$ 1,914,680	\$ 4,993,568	\$ 23,004,729
Receivables	793,137	-	2,164	795,301
Total assets	<u>\$ 16,889,618</u>	<u>\$ 1,914,680</u>	<u>\$ 4,995,732</u>	<u>\$ 23,800,030</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 188,464	\$ 13,896	\$ 21,870	\$ 224,230
Accrued liabilities	223,178	-	-	223,178
Deposits	401,322	-	59,605	460,927
Total liabilities	<u>812,964</u>	<u>13,896</u>	<u>81,475</u>	<u>908,335</u>
 Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	1,900,784	2,957,108	4,857,892
Committed	11,616,682	-	1,648,123	13,264,805
Assigned	-	-	309,026	309,026
Unassigned	4,459,972	-	-	4,459,972
Total fund balances	<u>16,076,654</u>	<u>1,900,784</u>	<u>4,914,257</u>	<u>22,891,695</u>
 Total liabilities and fund balances	 <u>\$ 16,889,618</u>	 <u>\$ 1,914,680</u>	 <u>\$ 4,995,732</u>	 <u>\$ 23,800,030</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, 2021**

Total fund balances - governmental funds (page 14)	\$ 22,891,695
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.	38,255,601
(2) Pension plan contributions are reported as deferred outflows of resources in the statement of net position.	2,366,601
(3) Other post-retirement employee medical benefit plan contributions are reported as deferred outflows of resources in the statement of net position.	231,683
(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	(285,151)
Net Pension Liability	(9,726,641)
Net OPEB Liability	(1,307,842)
(5) Deferred pension plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	(739,371)
(6) Other post-retirement employee medical benefits plan deferred inflows of resources are not recognized as revenue in the governmental funds financial statements.	<u>(1,298,728)</u>
Net position of governmental activities (page 12)	<u><u>\$ 50,387,847</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, 2021**

	General	Tiburon	Other	Total
	Fund	Street	Governmental	Governmental
<b>REVENUE</b>	<b>Fund</b>	<b>Impact Fund</b>	<b>Funds</b>	<b>Funds</b>
Property taxes	\$ 6,505,217	\$ -	\$ -	\$ 6,505,217
Other taxes	1,475,092	-	-	1,475,092
Franchise fees	871,177	-	-	871,177
Fines and forfeitures	110,197	-	-	110,197
Investment earnings	126,456	18,088	41,860	186,404
Intergovernmental and agency	305,391	-	697,527	1,002,918
Licenses and permits	1,167,137	-	-	1,167,137
Charges for services	645,853	672,612	259,337	1,577,802
Other revenue	637,088	-	-	637,088
Total revenue	<u>11,843,608</u>	<u>690,700</u>	<u>998,724</u>	<u>13,533,032</u>
 <b>EXPENDITURES</b>				
Current -				
Town administration	1,916,685	-	1,398	1,918,083
Community development	1,230,035	-	366,441	1,596,476
Public safety	3,566,344	-	-	3,566,344
Public works/streets	2,163,259	52,837	104,929	2,321,025
Nondepartmental	1,208,960	-	119,656	1,328,616
Capital improvement projects	89,325	1,242,657	1,092,303	2,424,285
Total expenditures	<u>10,174,608</u>	<u>1,295,494</u>	<u>1,684,727</u>	<u>13,154,829</u>
Excess Revenue over (under) Expenditures	<u>1,669,000</u>	<u>(604,794)</u>	<u>(686,003)</u>	<u>378,203</u>
 Other financing sources / (uses):				
Operating transfers in	369,264	-	345,764	715,028
Operating transfers (out)	<u>(715,028)</u>	<u>-</u>	<u>-</u>	<u>(715,028)</u>
Total other sources (uses)	<u>(345,764)</u>	<u>-</u>	<u>345,764</u>	<u>-</u>
 <b>CHANGE IN FUND BALANCES</b>	 1,323,236	 (604,794)	 (340,239)	 378,203
Fund balances - beginning	14,753,418	2,505,578	5,254,496	22,513,492
Fund balances - end of year	<u>\$ 16,076,654</u>	<u>\$ 1,900,784</u>	<u>\$ 4,914,257</u>	<u>\$ 22,891,695</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, 2021**

Change in fund balances - governmental funds (page 16)	\$	378,203
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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.  |  | 2,914,327   |
| (2) The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities. |  | (1,899,869) |

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 |  | 32,947    |
| (4) Change in net pension liability          |  | (936,760) |
| (5) Change in OPEB liability                 |  | 315,474   |

Change in net position of governmental activities (page 13)	\$	804,322
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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, 2021**

	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
<b>ASSETS</b>									
Cash and investments	\$ 513,897	\$ 243	\$ 1,150	\$ 106,265	\$ (28,169)	\$ 58,236	\$ 31,719	\$ 887	\$ 684,228
Cash with trustee	56,832	-	-	-	-	-	-	-	56,832
Receivables	5,353	-	-	-	749	-	-	9,828	15,930
<b>Total Assets</b>	<b>\$ 576,082</b>	<b>\$ 243</b>	<b>\$ 1,150</b>	<b>\$ 106,265</b>	<b>\$ (27,420)</b>	<b>\$ 58,236</b>	<b>\$ 31,719</b>	<b>\$ 10,715</b>	<b>\$ 756,990</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,750	\$ 46,750	\$ -	\$ 10,704	\$ 74,704
Deposits	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 8,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,750</b>	<b>\$ 46,750</b>	<b>\$ -</b>	<b>\$ 10,704</b>	<b>\$ 74,704</b>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF TIBURON**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<u>Other Post Employment Benefits Trust Fund</u>	<u>Pension Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 3,102,061	\$ 1,785,407	\$ 4,887,468
<b>LIABILITIES</b>			
	-	-	-
<b>NET POSITION</b>			
Restricted for:			
Other Postemployment Benefits	3,102,061	-	3,102,061
Pension Benefits	-	1,785,407	1,785,407
Total Net Position	<u>\$ 3,102,061</u>	<u>\$ 1,785,407</u>	<u>\$ 4,887,468</u>

*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, 2021**

	Other Post Employment Benefit (OPEB) Trust Fund	Pension Trust Fund	Total
<b>ADDITIONS</b>			
Employer contributions	\$ -	\$ -	\$ -
Investment earnings	604,603	183,471	788,074
subtotal	<u>604,603</u>	<u>183,471</u>	<u>788,074</u>
<b>DEDUCTIONS</b>			
Administrative expenses	16,340	9,983	26,323
Distributions	-	-	-
Transfers	-	-	-
subtotal	<u>16,340</u>	<u>9,983</u>	<u>26,323</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>			
Net Increase (Decrease)	588,263	173,488	761,751
Net Position - beginning	2,513,798	1,611,919	4,125,717
Net Position - end of year	<u>\$ 3,102,061</u>	<u>\$ 1,785,407</u>	<u>\$ 4,887,468</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF TIBURON**  
**Notes to Financial Statements**  
**June 30, 2021**

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, 2021**

**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, 2021**

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, 2021**

- *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, 2021**

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.

**TOWN OF TIBURON**  
**Notes to Financial Statements**  
**June 30, 2021**

Net Position and Fund Balances

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.

**TOWN OF TIBURON**  
**Notes to Financial Statements**  
**June 30, 2021**

Other Postemployment Benefits Plan (OPEB)

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.

**TOWN OF TIBURON**  
**Notes to Financial Statements**  
**June 30, 2021**

- 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 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 55% 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

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budget issues could impair the Town's operating budget.

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	\$ 23,016,936
Statement of Fiduciary Assets & Liabilities	
Cash and investments with Town	684,228
Cash investments held by fiscal agent	56,832
	<u>\$ 23,757,996</u>
Cash and Investments are comprised of the following:	
Deposits with financial institutions:	
checking accounts	\$ 832,623
Investment in State Investment Pool	22,868,541
US Treasury money market funds	56,832
	<u>\$ 23,757,996</u>

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 \$196 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

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Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an 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>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Yield</u>	<u>Concentration</u>
Local Agency Investment Fund	\$ 22,868,541	on demand	0.22%	96%
Demand Deposits	832,623	on demand	0.00%	4%
Money Market (with fiscal agent)	56,832	on demand	0.01%	0%

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. Approximately 96% 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).

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**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:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 318,098	\$ -	\$ (32,947)	\$ 285,151	\$ 71,288
Postemployment Benefits	1,335,378	-	(27,536)	1,307,842	
Net Pension Liability	8,762,867	963,774	-	9,726,641	
	<u>\$ 10,416,343</u>	<u>\$ 963,774</u>	<u>\$ (60,483)</u>	<u>\$ 11,319,634</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>
<u>Non-depreciable Assets</u>				
Land	\$ 4,087,952	\$ -	\$ -	\$ 4,087,952
<u>Depreciable Assets</u>				
Buildings and improvements	8,842,049	-	-	8,842,049
Furniture and equipment	2,736,685	397,436	-	3,134,121
Infrastructure	62,411,129	5,556,806	-	67,967,935
<i>subtotal</i>	73,989,863	5,954,242	-	79,944,105
<u>Accumulated Depreciation</u>	(44,106,700)	(1,899,869)	230,113	(45,776,456)
Depreciable assets, net	29,883,163	4,054,373	230,113	34,167,649
<u>Net Capital Assets</u>	<u>\$ 33,971,115</u>	<u>\$ 4,054,373</u>	<u>\$ 230,113</u>	<u>\$ 38,255,601</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 June 30, 2021 the outstanding balance of the bonds was \$8,970,000.

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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	\$ -	\$ 715,028
Tiburon Long Range Plan	345,764	-
Employee Compensated Leave	69,264	-
Reserve for Infrastructure	300,000	-
	<u>\$ 715,028</u>	<u>\$ 715,028</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

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	<u>67</u>

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 \$312,235 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, 2019
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020
Reporting Date	June 30, 2021

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	\$ 3,821,640
Plan Fiduciary Net Position ( <i>assets owned</i> )	2,513,798
Net OPEB Plan Liability	1,307,842
Service Cost for the fiscal year	126,553
Aggregate OPEB Expense	(109,915)

Discount Rate

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-

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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 are as follows.

Investment Class	Target Allocation	Long-term Expected Real Rate of Return (1)
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:

	Discount Rate -1%	Current Rate	Discount Rate +1%
	5.50%	6.50%	7.50%
Net OPEB liability / (assets)	\$1,773,206	\$1,307,842	\$920,088

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:

	Current Trend -1%	Current Trend	Current Trend +1%
	5.50%	Rate 6.5%	7.50%
Net OPEB liability / (assets)	\$1,032,706	\$1,307,842	\$1,645,831

Deferred Outflows/Inflows of Resources Related to OPEB

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	\$ 205,559	\$ -
Differences between projected and actual experience	1,195	(119,280)
Changes of assumptions	-	(1,179,448)
Net difference between projected and actual earnings of OPEB Plan investments	24,929	-
Totals	\$ 231,683	\$ (1,298,728)

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>	
2022	\$ (327,777)
2023	(313,168)
2024	(313,540)
2025	(246,602)
2026	(29,272)
thereafter	(42,245)
	\$ (1,272,604)

**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 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, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Reporting Date	June 30, 2021
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	\$ 40,458,745
Plan Fiduciary Net Position ( <i>assets owned</i> )	30,732,104
Net Pension Plan Liability	9,726,641
Pension plan expense for the fiscal year	1,754,486

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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	\$ 15,163,360	\$ 9,726,641	\$ 5,249,321

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	\$ 627,143	\$ -
Changes of assumptions	-	(50,975)
Net differences between projected and actual investment earnings	250,358	-
Change in employer's proportion	464,789	-
Differences between employer's contributions and the employer's proportionate share of contributions	-	(688,396)
Pension contributions subsequent to measurement date	1,024,311	-
Totals	\$ 2,366,601	\$ (739,371)

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

Year Ending June 30:	
2022	\$ 74,772
2023	216,601
2024	189,213
2025	122,333
2026	-
thereafter	-
	\$ 602,919

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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, 2021 through October 25, 2021, the date the draft financial statements were available to be

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issued, and have determined that no adjustments are necessary to the amounts reported in the 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 2020, GASB issued Statement No. 92 – Omnibus 2020. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

In March 2020, GASB issued Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. A public-private and public-public partnership arrangement (PPP) is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement addresses issues related to PPPs. PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of a service concession arrangement (SCA) or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement).

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are defined in this Statement as an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

In May 2020, GASB issued Statement No. 95 – Postponement of the Effective Dates of Certain Authority Guidance, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**TOWN OF TIBURON**  
**Notes to Financial Statements**  
**June 30, 2021**

**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	-	1,900,784	-	1,900,784
Parks in-lieu	-	-	41,142	41,142
Open space acquisition	-	-	208,556	208,556
Planning area mitigation	-	-	199,265	199,265
Storm water run-off	-	-	134,530	134,530
Circulation system improvement	-	-	140,915	140,915
Bunch grass mitigation	-	-	141,160	141,160
Cypress Hollow LLD	-	-	9,865	9,865
Measure A sales tax parks	-	-	60,319	60,319
Gas tax - streets/sidewalks	-	-	1,039,423	1,039,423
Measure A sales tax TAM	-	-	598,090	598,090
Measure B sales tax streets	-	-	32,523	32,523
State RMRA	-	-	351,320	351,320
Total restricted fund balances	-	1,900,784	2,957,108	4,857,892
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	230,531	-	-	230,531
Reserve capital equipment	596,971	-	-	596,971
Reserve technology equipment	613,863	-	-	613,863
Reserve park improvements	476,390	-	-	476,390
Reserve open space mgmt	25,141	-	-	25,141
Reserve disaster response	99,560	-	-	99,560
Reserve streets & drainage	1,378,979	-	-	1,378,979
Reserve infrastructure	1,447,459	-	-	1,447,459
Long-range planning	-	-	456,719	456,719
LMI Housing	-	-	1,191,404	1,191,404
Total committed fund balances	11,616,682	-	1,648,123	13,264,805
Assigned:				
Town owned housing units	-	-	268,562	268,562
Heritage & Arts project	-	-	14,398	14,398
Playground equipment	-	-	2,030	2,030
Paula Little Flower fund	-	-	24,036	24,036
Total assigned fund balances	-	-	309,026	309,026
Unassigned	4,459,972	-	-	4,459,972
Total Fund Balances	\$ 16,076,654	\$ 1,900,784	\$ 4,914,257	\$ 22,891,695

**REQUIRED SUPPLEMENTARY INFORMATION**

*(unaudited)*

**TOWN OF TIBURON**  
**Required Supplementary Information (unaudited)**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Year Ended June 30, 2021**

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 7 Fiscal Years \***

Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability:	Measurement Date - Fiscal Year Ending June 30						
	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	0.0894%	0.0855%	0.0823%	0.0824%	0.0827%	0.0789%	0.0841%
Town's proportionate share of the net pension liability	\$ 9,726,641	\$ 8,762,867	\$ 7,934,808	\$ 8,168,481	\$ 7,159,119	\$ 5,412,997	\$ 5,232,395
Town's covered-employee payroll **	\$ 3,985,304	\$ 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	244%	219%	219%	240%	223%	164%	149%
Plan fiduciary net position as a percentage of the total pension liability	75%	75%	75%	73%	74%	78%	81%

Schedule of the Town's Contributions	Fiscal Year Ending June 30						
	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 1,024,311	\$ 920,861	\$ 807,481	\$ 680,145	\$ 626,552	\$ 553,153	\$ 463,611
Contributions in relation to the contractually required employer contribution	1,024,311	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 ***	\$ 4,011,436	\$ 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	26%	23%	20%	24%	24%	23%	14%

\*Fiscal year 2015 was the first year of implementation, therefore only 7 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 Four Fiscal Years\***

For Reporting at Fiscal Year End June 30:	2021	2020	2019	2018
Measurement Date - Fiscal Year Ending June 30:	2020	2019	2018	2017
<b><u>Total OPEB Liability</u></b>				
Service cost	\$ 126,553	\$ 107,248	\$ 102,141	\$ 224,595
Interest	240,111	243,714	235,026	163,787
Changes of benefit terms	-	-	-	65,466
Differences between expected and actual experience	1,350	(83,754)	(44,718)	(56,071)
Changes of assumptions	-	(133,281)	-	(2,279,851)
Benefit payments	(224,164)	(193,635)	(135,075)	(119,394)
Net Change in Total OPEB Liability	143,850	(59,708)	157,374	(2,001,468)
Total OPEB Liability - beginning	3,677,790	3,737,498	3,580,124	5,581,592
Total OPEB Liability - ending (a)	3,821,640	3,677,790	3,737,498	3,580,124
<b><u>Plan Fiduciary Net Position</u></b>				
Contributions - employer	312,235	886,348	174,596	1,409,411
Net investment income	89,392	142,931	89,398	98,547
Benefit payments	(224,164)	(193,635)	(135,075)	(119,394)
Administrative expenses	(6,077)	(4,990)	(3,642)	(2,083)
Net Change in Plan Fiduciary Net Position	171,386	830,654	125,277	1,386,481
Plan Fiduciary Net Position - beginning	2,342,412	1,511,758	1,386,481	n/a
Plan Fiduciary Net Position - ending (b)	2,513,798	2,342,412	1,511,758	1,386,481
<b><u>Plan Net OPEB Liability - ending (a) - (b)</u></b>	<b><u>\$ 1,307,842</u></b>	<b><u>\$ 1,335,378</u></b>	<b><u>\$ 2,225,740</u></b>	<b><u>\$ 2,193,643</u></b>
Plan Fiduciary Net Position as a % of Total OPEB Liability	66%	64%	40%	39%
Covered-employee payroll	\$ 3,864,266	\$ 3,823,181	\$ 3,753,084	\$ 3,853,068
Net OPEB liability as a percentage of covered-employee payroll	34%	35%	59%	57%
<b><u>Schedule of OPEB Contributions</u></b>				
Actuarially determined contributions	\$ 232,300	\$ 254,559	\$ 257,809	\$ 318,222
Contributions in relation to the actuarially determined contribution	312,235	886,348	174,596	1,409,411
Contribution deficiency (excess)	\$ (79,935)	\$ (631,789)	\$ 83,213	\$ (1,091,189)
Covered-employee payroll	\$ 3,864,266	\$ 3,823,181	\$ 3,753,084	\$ 3,853,068
Contributions as a percentage of covered-employee payroll	8%	23%	5%	37%

\*Fiscal year 2018 was the first year of implementation, therefore only 4 years are shown

**TOWN OF TIBURON**  
**Required Supplementary Information (unaudited)**  
**Budgetary Comparison Information**  
**Year Ended June 30, 2021**

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, 2021**

	<u>Budget Amounts (unaudited)</u>		<u>Actual</u> <u>Amounts</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
<b>Resources (inflows)</b>				<b>(Negative)</b>
Property taxes	\$ 6,315,635	\$ 6,315,635	\$ 6,505,217	\$ 189,582
Other taxes	1,110,136	1,110,136	1,475,092	364,956
Franchise fees	729,897	729,897	801,177	71,280
Fines and forfeitures	100,000	100,000	110,197	10,197
Investment earnings	285,000	285,000	126,456	(158,544)
Intergovernmental and agency	282,844	282,844	305,391	22,547
Licenses and permits	873,250	873,250	1,167,137	293,887
Charges for services	496,500	496,500	645,853	149,353
Other revenue	97,005	97,005	340,444	243,439
Transfers in	2,522,315	2,522,315	-	(2,522,315)
Amounts Available for Appropriation	<u>12,812,582</u>	<u>12,812,582</u>	<u>11,476,964</u>	<u>(1,335,618)</u>
<b>Charges to Appropriations (outflow)</b>				
Town administration	2,027,322	2,027,322	1,837,445	189,877
Community development	1,632,821	1,632,821	1,189,679	443,142
Public safety	3,750,367	3,750,367	3,439,890	310,477
Public works	2,174,862	2,174,862	2,099,118	75,744
Nondepartmental	3,226,259	3,226,259	1,187,610	2,038,649
Capital improvement projects	-	-	27,657	(27,657)
Transfers out	-	-	715,028	(715,028)
Total Charges to Appropriations	<u>12,811,631</u>	<u>12,811,631</u>	<u>10,496,427</u>	<u>2,315,204</u>
<b>Surplus (Deficit)</b>	<u>\$ 951</u>	<u>\$ 951</u>	<u>\$ 980,537</u>	<u>\$ 979,586</u>

**TOWN OF TIBURON**  
**Required Supplementary Information (unaudited)**  
**Budgetary Comparison Information**  
**Tiburon Street Impact Fund No. 390**  
**Year Ended June 30, 2021**

	<b>Budget Amounts (unaudited)</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
<b>Resources (inflows)</b>			<b>Amounts</b>	<b>Positive</b>
				<b>(Negative)</b>
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	-	-	18,088	18,088
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	1,461,191	1,461,191	672,612	(788,579)
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Amounts Available for Appropriation	1,461,191	1,461,191	690,700	(770,491)
<b>Charges to Appropriations (outflow)</b>				
Town administration	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	52,837	(52,837)
Nondepartmental	-	-	-	-
Capital improvement projects	1,461,191	1,461,191	1,242,657	218,534
Transfers out	-	-	-	-
Total Charges to Appropriations	1,461,191	1,461,191	1,295,494	165,697
<b>Surplus (Deficit)</b>	\$ -	\$ -	\$ (604,794)	\$ (604,794)

***OTHER SUPPLEMENTARY INFORMATION***

***Combining Funds Financial Statements***

**TOWN OF TIBURON**  
**General Fund**  
**Combining Balance Sheet**  
**Year Ended June 30, 2021**

	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
<b>ASSETS</b>												
Cash & investments	\$ 7,204,164	\$ 250,000	\$ 3,497,788	\$ 453,709	\$ 596,971	\$ 636,321	\$ 501,390	\$ 25,141	\$ 99,560	\$ 1,383,878	\$ 1,447,560	\$ 16,096,481
Receivables	793,137	-	-	-	-	-	-	-	-	-	-	793,137
Totals	<u>\$ 7,997,301</u>	<u>\$ 250,000</u>	<u>\$ 3,497,788</u>	<u>\$ 453,709</u>	<u>\$ 596,971</u>	<u>\$ 636,321</u>	<u>\$ 501,390</u>	<u>\$ 25,141</u>	<u>\$ 99,560</u>	<u>\$ 1,383,878</u>	<u>\$ 1,447,560</u>	<u>\$ 16,889,618</u>
<b>LIABILITIES</b>												
Accounts payable	\$ 161,007	\$ -	\$ -	\$ -	\$ -	\$ 22,458	\$ -	\$ -	\$ -	\$ 4,898	\$ 101	\$ 188,464
Accrued liabilities	-	-	-	223,178	-	-	-	-	-	-	-	223,178
Deposits	<u>376,322</u>	-	-	-	-	-	25,000	-	-	-	-	401,322
Totals	<u>537,329</u>	-	-	223,178	-	22,458	25,000	-	-	4,898	101	812,964
<b>FUND BALANCES</b>												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Committed	3,000,000	250,000	3,497,788	230,531	596,971	613,863	476,390	25,141	99,560	1,378,979	1,447,459	11,616,682
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>4,459,972</u>	-	-	-	-	-	-	-	-	-	-	4,459,972
Totals	<u>7,459,972</u>	<u>250,000</u>	<u>3,497,788</u>	<u>230,531</u>	<u>596,971</u>	<u>613,863</u>	<u>476,390</u>	<u>25,141</u>	<u>99,560</u>	<u>1,378,979</u>	<u>1,447,459</u>	<u>16,076,654</u>
Total Liabilities & Fund Balances	<u>\$ 7,997,301</u>	<u>\$ 250,000</u>	<u>\$ 3,497,788</u>	<u>\$ 453,709</u>	<u>\$ 596,971</u>	<u>\$ 636,321</u>	<u>\$ 501,390</u>	<u>\$ 25,141</u>	<u>\$ 99,560</u>	<u>\$ 1,383,877</u>	<u>\$ 1,447,560</u>	<u>\$ 16,889,618</u>

**TOWN OF TIBURON**  
**General Fund**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2021**

	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
<b>REVENUE</b>												
Property taxes	\$ 6,505,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,505,217
Other taxes	1,475,092	-	-	-	-	-	-	-	-	-	-	1,475,092
Franchises	801,177	-	-	-	-	-	-	-	-	70,000	-	871,177
Fines and penalties	110,197	-	-	-	-	-	-	-	-	-	-	110,197
Investment earnings	126,456	-	-	-	-	-	-	-	-	-	-	126,456
Intergovernmental & agency	305,391	-	-	-	-	-	-	-	-	-	-	305,391
Licenses and permits	1,167,137	-	-	-	-	-	-	-	-	-	-	1,167,137
Charges for services	645,853	-	-	-	-	-	-	-	-	-	-	645,853
Other revenue	340,444	-	-	1,873	124,400	170,369	-	-	-	-	-	637,088
Total Revenue	<u>11,476,966</u>	<u>-</u>	<u>-</u>	<u>1,873</u>	<u>124,400</u>	<u>170,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>\$ 11,843,608</u>
<b>EXPENDITURES</b>												
Current -												
Town administration	1,837,445	7,898.90	-	-	-	71,341	-	-	-	-	-	1,916,685
Community development	1,189,679	-	-	-	-	40,357	-	-	-	-	-	1,230,035
Public safety	3,439,890	58,642	-	-	32,732	35,081	-	-	-	-	-	3,566,344
Public works	2,099,118	2,723	-	-	24,781	11,582	25,055	-	-	-	-	2,163,259
Legislative boards/commissions	43,197	-	-	-	-	-	-	-	-	-	-	43,197
Non-departmental	1,144,416	-	-	21,346	-	-	-	-	-	-	-	1,165,762
Capital Projects	27,657	-	-	-	-	-	24,476	-	-	33,526	3,667	89,325
Total Expenditures	<u>9,781,401</u>	<u>69,264</u>	<u>-</u>	<u>21,346</u>	<u>57,512</u>	<u>158,361</u>	<u>49,531</u>	<u>-</u>	<u>-</u>	<u>33,526</u>	<u>3,667</u>	<u>10,174,608</u>
Excess Revenue over (under) Expenditures	<u>1,695,565</u>	<u>(69,264)</u>	<u>-</u>	<u>(19,474)</u>	<u>66,888</u>	<u>12,007</u>	<u>(49,531)</u>	<u>-</u>	<u>-</u>	<u>36,474</u>	<u>(3,667)</u>	<u>1,669,000</u>
<b>OTHER FINANCING SOURCES</b>												
Operating transfers in	-	69,264	-	-	-	-	-	-	-	-	300,000	369,264
Operating transfers (out)	<u>(715,028)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(715,028)</u>
Total Other Sources (Uses)	<u>(715,028)</u>	<u>69,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>(345,764)</u>
<b>CHANGE IN FUND BALANCES</b>												
980,537	-	-	(19,474)	66,888	12,007	(49,531)	-	-	-	36,474	296,333	1,323,236
Fund Balances - Beginning	<u>6,479,435</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>1,342,505</u>	<u>1,151,126</u>	<u>14,753,418</u>
Fund Balances - End of Year	<u>\$ 7,459,972</u>	<u>\$ 250,000</u>	<u>\$ 3,497,788</u>	<u>\$ 230,531</u>	<u>\$ 596,971</u>	<u>\$ 613,863</u>	<u>\$ 476,390</u>	<u>\$ 25,141</u>	<u>\$ 99,560</u>	<u>\$ 1,378,979</u>	<u>\$ 1,447,459</u>	<u>\$ 16,076,654</u>

**TOWN OF TIBURON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**Year Ended June 30, 2021**

	Capital Projects Funds:											
	Town owned	Heritage	Town's	Tiburon	Tiburon	Open	Planning	Storm	Circulation	Bunch	Tiburon	
	Housing	& Arts	LMI	Playground	Parks	Space	Area	Water	System	Grass	Long Range	TOTALS
	Units	Project	Housing	Improvement	In-Lieu	Acquisition	Mitigation	Run Off	Improvement	Mitigation	Planning	
<b>ASSETS</b>												
Cash & investments	\$ 289,036	\$ 14,398	\$ 1,191,404	\$ -	\$ 71,142	\$ 208,556	\$ 199,265	\$ 154,530	\$ 140,915	\$ 141,160	\$ 462,594	\$ 2,872,999
Receivables	-	-	-	2,030	-	-	-	-	-	-	-	2,030
Totals	<u>\$ 289,036</u>	<u>\$ 14,398</u>	<u>\$ 1,191,404</u>	<u>\$ 2,030</u>	<u>\$ 71,142</u>	<u>\$ 208,556</u>	<u>\$ 199,265</u>	<u>\$ 154,530</u>	<u>\$ 140,915</u>	<u>\$ 141,160</u>	<u>\$ 462,594</u>	<u>\$ 2,875,029</u>
												<i>2,875,029</i>
<b>LIABILITIES</b>												
Accounts payable	\$ 10,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,875	\$ 16,744
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Deposits - tenants	9,605	-	-	-	30,000	-	-	20,000	-	-	-	59,605
Totals	<u>20,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>5,875</u>	<u>76,349</u>
												<i>76,349</i>
<b>FUND BALANCES</b>												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	41,142	208,556	199,265	134,530	140,915	141,160	-	865,568
Committed	-	-	1,191,404	-	-	-	-	-	-	-	456,719	1,648,123
Assigned	268,562	14,398	-	2,030	-	-	-	-	-	-	-	284,990
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>268,562</u>	<u>14,398</u>	<u>1,191,404</u>	<u>2,030</u>	<u>41,142</u>	<u>208,556</u>	<u>199,265</u>	<u>134,530</u>	<u>140,915</u>	<u>141,160</u>	<u>456,719</u>	<u>2,798,681</u>
Total Liabilities & Fund Balances	<u>\$ 289,036</u>	<u>\$ 14,398</u>	<u>\$ 1,191,404</u>	<u>\$ 2,030</u>	<u>\$ 71,142</u>	<u>\$ 208,556</u>	<u>\$ 199,265</u>	<u>\$ 154,530</u>	<u>\$ 140,915</u>	<u>\$ 141,160</u>	<u>\$ 462,594</u>	<u>\$ 2,875,029</u>

**TOWN OF TIBURON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**Year Ended June 30, 2021**

	Cypress Hollow LLD-98	Paula Little Flower Fund	Measure A Sales Tax Parks	TAM Safe Routes to School	State Gasoline Tax	Measure A Sales Tax TAM	Measure B VLF Roads	State RMRA	Total Special Revenue Funds	Total Capital Project Funds	TOTALS
<b>ASSETS</b>											
Cash & investments	\$ 9,944	\$ 24,036	\$ 60,319	\$ 4,915	\$ 1,039,423	\$ 598,090	\$ 32,523	\$ 351,320	\$ 2,120,569	\$ 2,872,999	\$ 4,993,569
Receivables	133	-	-	-	-	-	-	-	133	2,030	2,163
Totals	<u>\$ 10,077</u>	<u>\$ 24,036</u>	<u>\$ 60,319</u>	<u>\$ 4,915</u>	<u>\$ 1,039,423</u>	<u>\$ 598,090</u>	<u>\$ 32,523</u>	<u>\$ 351,320</u>	<u>\$ 2,120,702</u>	<u>\$ 2,875,029</u>	<u>\$ 4,995,732</u>
<b>LIABILITIES</b>											
Accounts payable	\$ 211	\$ -	\$ -	\$ 4,915	\$ -	\$ -	\$ -	\$ -	\$ 5,126	\$ 16,744	\$ 21,870
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Deposits - tenants	-	-	-	-	-	-	-	-	-	59,605	59,605
Totals	<u>211</u>	<u>-</u>	<u>-</u>	<u>4,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,126</u>	<u>76,349</u>	<u>81,475</u>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	9,865	-	60,319	-	1,039,423	598,090	32,523	351,320	2,091,540	865,568	2,957,108
Committed	-	-	-	-	-	-	-	-	-	1,648,123	1,648,123
Assigned	-	24,036	-	-	-	-	-	-	24,036	284,990	309,026
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>9,865</u>	<u>24,036</u>	<u>60,319</u>	<u>-</u>	<u>1,039,423</u>	<u>598,090</u>	<u>32,523</u>	<u>351,320</u>	<u>2,115,576</u>	<u>2,798,681</u>	<u>4,914,257</u>
Total Liabilities & Fund Balances	<u>\$ 10,077</u>	<u>\$ 24,036</u>	<u>\$ 60,319</u>	<u>\$ 4,915</u>	<u>\$ 1,039,423</u>	<u>\$ 598,090</u>	<u>\$ 32,523</u>	<u>\$ 351,320</u>	<u>\$ 2,120,702</u>	<u>\$ 2,875,029</u>	<u>\$ 4,995,732</u>

**TOWN OF TIBURON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2021**

Capital Project Funds:												
	Town owned	Heritage	Town's	Tiburon	Tiburon	Open	Planning	Storm	Circulation	Bunch	Tiburon	TOTALS
	Housing	& Arts	LMI	Playground	Parks	Space	Area	Water	System	Grass	Long Range	
	Units	Project	Housing	Improvement	In-Lieu	Acquisition	Mitigation	Run Off	Improvement	Mitigation	Planning	
<b>REVENUE</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-
Franchises	-	-	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,065	95	9,828	-	580	1,697	1,621	1,022	1,147	1,147	4,749	23,950
Intergovernmental & agency	-	4,000	-	-	-	-	-	-	-	-	-	4,000
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	141,750	-	-	-	-	-	-	39,720	-	-	61,323	242,793
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>143,815</b>	<b>4,095</b>	<b>9,828</b>	<b>-</b>	<b>580</b>	<b>1,697</b>	<b>1,621</b>	<b>40,742</b>	<b>1,147</b>	<b>1,147</b>	<b>66,072</b>	<b>270,743</b>
<b>EXPENDITURES</b>												
Current -												
Town administration	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	366,441	366,441
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Legislative boards/commissions	-	-	-	-	-	-	-	-	-	-	-	-
Non-departmental	96,108	-	23,548	-	-	-	-	-	-	-	-	119,656
Capital improvement projects	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>96,108</b>	<b>-</b>	<b>23,548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366,441</b>	<b>486,097</b>
Excess Revenue over												
(under) Expenditures	47,707	4,095	(13,720)	-	580	1,697	1,621	40,742	1,147	1,147	(300,369)	(215,353)
<b>OTHER FINANCING SOURCES</b>												
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-	345,764	345,764
<b>Total Other Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>345,764</b>	<b>345,764</b>
<b>CHANGE IN FUND BALANCES</b>	<b>47,707</b>	<b>4,095</b>	<b>(13,720)</b>	<b>-</b>	<b>580</b>	<b>1,697</b>	<b>1,621</b>	<b>40,742</b>	<b>1,147</b>	<b>1,147</b>	<b>45,395</b>	<b>130,411</b>
Fund Balances - Beginning	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
Fund Balances - End of Year	\$ 268,562	\$ 14,398	\$ 1,191,405	\$ 2,030	\$ 41,142	\$ 208,556	\$ 199,265	\$ 134,530	\$ 140,915	\$ 141,160	\$ 456,718	\$ 2,798,681

**TOWN OF TIBURON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenue, Expenditures and Change in Fund Balances**  
**Year Ended June 30, 2021**

Page 4 of 4

	Special Revenue Funds:								Total	Total	TOTALS
	Cypress	Paula Little	Measure A	TAM	State	County	Measure B		Special	Capital	
	Hollow LLD-98	Flower Fund	Parks Sales Tax	Safe Routes to School	Gasoline Tax	Measure A Sales Tax	VLF Roads	State RMRA	Revenue Funds	Project Funds	
<b>REVENUE</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-	-
Franchises	-	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	141	235	275	-	10,492	3,481	720	2,566	17,909	23,950	41,860
Intergovernmental & agency	-	-	77,682	56,475	215,767	168,648	-	174,955	693,527	4,000	697,527
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Charges for services	16,544	-	-	-	-	-	-	-	16,544	242,793	259,337
Other revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>16,685</b>	<b>235</b>	<b>77,957</b>	<b>56,475</b>	<b>226,258</b>	<b>172,129</b>	<b>720</b>	<b>177,521</b>	<b>727,980</b>	<b>270,743</b>	<b>998,724</b>
<b>EXPENDITURES</b>											
Current -											
Town administration	-	-	-	-	1,398	-	-	-	1,398	-	1,398
Community development	-	-	-	-	-	-	-	-	-	366,441	366,441
Public works	25,858	4,732	68,344	-	5,994	-	-	-	104,929	-	104,929
Legislative boards/commissions	-	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	119,656	119,656
Capital improvement projects	-	-	-	56,475	660,966	131,281	83,581	160,000	1,092,303	-	1,092,303
<b>Total Expenditures</b>	<b>25,858</b>	<b>4,732</b>	<b>68,344</b>	<b>56,475</b>	<b>668,358</b>	<b>131,281</b>	<b>83,581</b>	<b>160,000</b>	<b>1,198,630</b>	<b>486,097</b>	<b>1,684,726</b>
Excess Revenue over (under) Expenditures	(9,173)	(4,497)	9,613	-	(442,100)	40,848	(82,861)	17,521	(470,650)	(215,353)	(686,003)
<b>OTHER FINANCING SOURCES</b>											
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	345,764	345,764
<b>Total Other Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>345,764</b>	<b>345,764</b>
<b>CHANGE IN FUND BALANCES</b>	<b>(9,173)</b>	<b>(4,497)</b>	<b>9,613</b>	<b>-</b>	<b>(442,100)</b>	<b>40,848</b>	<b>(82,861)</b>	<b>17,521</b>	<b>(470,650)</b>	<b>130,411</b>	<b>(340,239)</b>
Fund Balances - Beginning	19,038	28,533	50,706	-	1,481,523	557,242	115,384	333,799	2,586,226	2,668,270	5,254,496
Fund Balances - End of Year	\$ 9,865	\$ 24,036	\$ 60,319	\$ -	\$ 1,039,423	\$ 598,090	\$ 32,523	\$ 351,320	\$ 2,115,576	\$ 2,798,681	\$ 4,914,257

