

TOWN OF TIBURON
GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

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JUNE 30, 2003

TOWN OF TIBURON

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

JUNE 30, 2003

TABLE OF CONTENTS

Independent Auditors' Report i

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet – All Fund Types and Account Groups Sch. 1
Combined Statement of Revenues, Expenditures and Changes in Fund Equity – All
Government Fund Types Sch. 2
Combined Statement of Revenues, Expenditures and Changes in Fund Equity – Budget
and Actual – All Government Fund Types Sch. 3
Notes to General Purpose Financial Statements pp. 1-16

COMBINING STATEMENTS

General Fund

Combining Balance Sheet Sch. 4
Combining Statement of Revenues, Expenditures and Changes in Fund Equity Sch. 5

Special Revenue Funds

Combining Balance Sheet Sch. 6
Combining Statement of Revenues, Expenditures and Changes in Fund Equity Sch. 7

Debt Service Funds

Combining Balance Sheet Sch. 8
Combining Statement of Revenues, Expenditures and Changes in Fund Equity Sch. 9

Capital Projects Funds

Combining Balance Sheet Sch. 10 & 10.1
Combining Statement of Revenues, Expenditures and Changes in Fund Equity Sch. 11 & 11.1

Fiduciary and Agency Funds

Combining Balance Sheet Sch. 12
Combining Statement of Receipts and Expenditures Sch. 13

SUPPLEMENTAL SCHEDULES (UNAUDITED)

Local Secured Assessed Value and Tax Increment Revenues Sch. 14
Local Secured Assessed Valuation Sch. 15
Statement of Fund Balances - All Governmental Fund Types Sch. 16
Statement of Revenues, Expenditures and Changes in Fund Equity - General Fund Sch. 17
Statement of Revenues, Expenditures and Changes in Fund Equity For the Fiscal Year
Ended June 30, 2003 – Budget and Actual – General Operating Fund Sch. 18

COMPLIANCE REPORT

Report on Compliance and Internal Control p. 17

September 19, 2003

The Honorable Mayor and Members of the Town Council
of the Town of Tiburon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying combined financial statements of the Town of Tiburon (the "Town") as of June 30, 2003 and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Town. Our responsibility is to express an opinion on these combined financial statements based on our audit.

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

In our opinion, such combined financial statements referred to above present fairly, in all material respects, the financial position of the Town at June 30, 2003 and the results of its operations for the year then ended in conformity with generally accepted accounting principles as accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements, taken as a whole. The accompanying combining financial statements listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Town. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The supplemental information listed in the foregoing table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

In accordance with *Governmental Auditing Standards*, we have also issued reports, dated September 19, 2003, on our consideration of the Town's internal control structure and its compliance with laws and regulations.

Odenberg Ullakko Muranishi & Co LLP

TOWN OF IRON
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003

	Fiduciary										Totals (Memorandum Only)					
	Government Fund Types					Fiduciary		Account Types			2003		2002			
	General	Special Revenue	Debt Service	Capital Projects	Agency	Fixed Assets	Long-Term Debt									
ASSETS																
Cash & Investments	\$ 5,974,376	\$ 1,387,722	\$ 797,116	\$ 2,733,420	\$ 238,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,131,489	\$ 9,465,004
Cash & Investments held by Trustee	89,296	-	340,823	-	-	-	-	-	-	-	-	-	-	-	430,119	402,887
Due from other Governmental Agencies	381,663	6,049	4,170	68,125	37,784	-	-	-	-	-	-	-	-	-	497,791	872,235
Other Receivables	2,451	-	-	-	2,717	-	-	-	-	-	-	-	-	-	5,168	165,494
Interest Receivable	25,180	6,145	3,438	12,079	1,066	-	-	-	-	-	-	-	-	-	47,908	66,696
Special Assessments Receivable	-	-	2,748,200	-	-	-	-	-	-	-	-	-	-	-	2,748,200	3,003,300
Tax Increment Receivable	-	121,519	-	-	-	-	-	-	-	-	-	-	-	-	121,519	349,221
Notes Receivable	-	663,411	-	234,803	-	-	-	-	-	-	-	-	-	-	898,214	922,474
Note Receivable from Related Party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000	277,916
Receivable from RDA	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	379,863
Fixed Assets	-	-	-	-	-	7,803,514	-	-	-	-	-	-	-	-	7,803,514	7,705,092
Amount available in Debt Service Funds	-	-	-	-	-	-	-	-	-	-	1,145,309	-	-	-	1,145,309	1,051,067
Amount to be provided for Long-term Debt	-	-	-	-	-	-	-	-	-	-	2,756,544	-	-	-	2,756,544	3,645,726
Total Assets	\$ 6,972,966	\$ 2,184,846	\$ 3,893,748	\$ 3,048,427	\$ 280,421	\$ 7,803,514	\$ 3,901,853	\$ 28,085,775	\$ 28,085,775	\$ 28,085,775	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974
LIABILITIES																
Accounts Payable	\$ 167,096	\$ 381,549	\$ -	\$ 293,712	\$ 39,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 882,250	\$ 510,386
Accrued Liabilities	281,918	-	239	629	-	-	-	-	-	-	-	-	-	-	282,786	341,800
Deposits Payable	21,507	-	-	4,950	-	-	-	-	-	-	-	-	-	-	26,457	20,677
Deferred Revenue	-	-	2,748,200	-	-	-	-	-	-	-	-	-	-	-	2,748,200	3,379,695
Compensated Absences Payable	-	-	-	-	-	-	-	-	-	-	258,653	-	-	-	258,653	313,493
Current Liability in Workers' Compensation	258,594	-	-	-	-	-	-	-	-	-	-	-	-	-	258,594	208,130
Bonds Payable	-	-	-	-	-	-	-	-	-	-	895,000	-	-	-	895,000	1,380,000
Special Assessment Debt	-	-	-	-	-	-	-	-	-	-	2,748,200	-	-	-	2,748,200	3,003,300
Amount Held for Assessment District and Community Facilities Debt Service	-	-	-	-	243,906	-	-	-	-	-	-	-	-	-	243,906	631,961
Due to Peninsula Library JPA	-	-	-	-	(3,378)	-	-	-	-	-	-	-	-	-	(3,378)	(4,137)
Due to Community Facilities District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	379,863
Total Liabilities	729,115	381,549	2,748,439	299,290	280,421	-	3,901,853	8,340,667	8,340,667	8,340,667	10,165,168	10,165,168	10,165,168	10,165,168	10,165,168	10,165,168
FUND EQUITY																
Investment in Fixed Assets	-	-	-	-	-	7,803,514	-	-	-	-	-	-	-	-	7,803,514	7,705,092
Fund Balances:																
Reserved for - Low & Moderate Housing	-	668,779	-	1,047,097	-	-	-	-	-	-	-	-	-	-	1,715,876	1,547,603
Reserved for - Non-Current Receivables	500,000	663,411	-	234,803	-	-	-	-	-	-	-	-	-	-	1,398,214	1,200,390
Reserved for - Debt Service	-	-	1,145,309	-	-	-	-	-	-	-	-	-	-	-	1,145,309	1,051,067
Reserved for - Workers Compensation Pool	89,296	-	-	-	-	-	-	-	-	-	-	-	-	-	89,296	(208,130)
Unreserved and designated	3,240,701	-	-	-	-	-	-	-	-	-	-	-	-	-	3,240,701	2,533,347
Unreserved and undesignated	2,413,854	471,107	-	1,467,237	-	-	-	-	-	-	-	-	-	-	4,352,197	4,312,437
Total Fund Equity	6,243,851	1,803,297	1,145,309	2,749,137	-	7,803,514	-	19,745,107	19,745,107	19,745,107	18,141,806	18,141,806	18,141,806	18,141,806	18,141,806	18,141,806
Total Liabilities & Fund Equity	\$ 6,972,966	\$ 2,184,846	\$ 3,893,748	\$ 3,048,427	\$ 280,421	\$ 7,803,514	\$ 3,901,853	\$ 28,085,775	\$ 28,085,775	\$ 28,085,775	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974	\$ 28,306,974

The notes to the financial statements are an integral part of this statement.

TOWN OF JIRON
COMBINED STATEMENT OF REVENUES, EXPENDITURES
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND EQUITY
ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Government Fund Types			Totals (Memorandum Only)		
	General	Special Revenue	Debt Service	Capital Projects	2003	2002
REVENUES						
Taxes	\$ 3,458,206	\$ 238,594	\$ 697,051	\$ 2,250	\$ 4,396,101	\$ 4,354,572
Licenses and Permits	817,365	-	-	-	817,365	835,438
Intergovernmental & Franchise	904,998	315,588	-	453,785	1,674,371	1,361,312
Charges for Services	309,228	-	-	-	309,228	297,747
Fines and Forfeitures	209,582	-	-	-	209,582	181,434
Interest Income	103,556	27,704	17,711	86,669	235,640	369,493
Other Revenue	385,542	(2,278)	31,441	551,713	966,418	710,378
Total Revenues	<u>6,188,477</u>	<u>579,608</u>	<u>746,203</u>	<u>1,094,417</u>	<u>8,608,705</u>	<u>8,110,374</u>
EXPENDITURES						
Current:						
General Government	1,892,651	72,539	5,473	152,472	2,123,135	1,871,227
Public Safety	1,804,389	180,486	-	-	1,984,875	1,967,417
Public Works	1,051,992	39,588	-	77,506	1,169,086	1,025,934
Capital Projects	101,420	351,985	-	906,701	1,360,106	3,439,751
Debt Service:						
Principal Retirement	-	-	740,100	-	740,100	867,013
Interest and Fiscal Charges	-	-	248,755	-	248,755	364,830
Total Expenditures	<u>4,850,452</u>	<u>644,598</u>	<u>994,328</u>	<u>1,136,679</u>	<u>7,626,057</u>	<u>9,536,172</u>
Excess (Deficiency) of Revenues over Expenditures	1,338,025	(64,990)	(248,125)	(42,262)	982,648	(1,425,798)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	1,025,000	-	-	339,491	1,364,491	2,683,040
Operating Transfers Out	(1,134,161)	-	(230,330)	-	(1,364,491)	(2,683,040)
Sources - TPFFA Assessments from Agency Funds	-	-	572,697	-	572,697	684,816
Sources - Issuance of Special Assessments Bond	-	-	-	-	-	1,465,500
Payment to Comm Facilities District	-	-	-	-	-	(379,863)
Other Sources (Uses)	-	-	-	-	-	-
Other - Risk Position Workers' Comp Pool	(50,464)	-	-	-	(50,464)	31,663
Total Financing Sources (Uses):	<u>(159,625)</u>	<u>-</u>	<u>342,367</u>	<u>339,491</u>	<u>522,233</u>	<u>1,802,116</u>
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	1,178,400	(64,990)	94,242	297,229	1,504,881	376,318
Fund Balance, July 1	5,065,451	1,868,286	1,051,067	2,451,909	10,436,713	10,060,395
Fund Balance, June 30	<u>\$ 6,243,851</u>	<u>\$ 1,803,296</u>	<u>\$ 1,145,309</u>	<u>\$ 2,749,138</u>	<u>\$ 11,941,594</u>	<u>\$ 10,436,713</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF TIRON
COMBINED STATEMENT OF REVENUES, EXPENDITURES
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND EQUITY-BUDGET (GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General Fund			Special Revenue			Debt Service			Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES												
Taxes	\$ 2,813,000	\$ 3,458,206	\$ 645,206	\$ 186,500	\$ 238,594	\$ 52,094	\$ 432,560	\$ 697,051	\$ 264,491	\$ 5,000	\$ 2,250	\$ (2,750)
Licenses and Permits	800,000	817,365	17,365	-	-	-	-	-	-	-	-	-
Intergovernmental & Franchise	829,700	904,998	75,298	292,550	315,588	23,038	-	-	-	-	453,785	453,785
Charges for Services	313,800	309,228	(4,572)	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	190,000	209,582	19,582	-	-	-	-	-	-	-	-	-
Interest Income	133,000	103,556	(29,444)	40,404	27,704	(12,700)	15,810	17,711	1,901	112,996	86,669	(26,327)
Other Revenue	182,000	385,542	203,542	(2,278)	(2,278)	(2,278)	290,000	31,441	(258,559)	322,196	551,713	229,517
Total Revenues	5,261,500	6,188,477	926,977	519,454	579,608	60,154	738,370	746,203	7,833	440,192	1,094,417	654,225
EXPENDITURES												
Current:												
General Government	2,042,984	1,892,651	150,333	20,500	72,539	(52,039)	-	5,473	(5,473)	187,366	152,472	34,894
Public Safety	1,927,252	1,804,389	122,863	139,859	180,486	(40,627)	-	-	-	-	-	-
Public Works	1,095,494	1,051,992	43,502	84,000	39,588	44,412	-	-	-	-	77,506	(77,506)
Capital Projects	404,700	101,420	303,280	360,000	351,985	8,015	-	-	-	1,516,100	906,701	609,399
Debt Service:												
Principal Retirement	-	-	-	-	-	-	360,100	740,100	(380,000)	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	222,555	248,755	(26,200)	-	-	-
Total Expenditures	5,470,430	4,850,452	619,978	604,359	644,598	(40,239)	582,655	994,328	(411,873)	1,703,466	1,136,679	566,787
Excess (Deficiency) of Revenues over Expenditures	(208,930)	1,338,025	1,546,955	(84,905)	(64,990)	19,915	155,715	(248,125)	(403,840)	(1,263,274)	(42,262)	1,221,012
OTHER FINANCING SOURCES (USES)												
Operating Transfers In	1,025,000	1,025,000	-	-	-	-	-	-	-	109,161	339,491	230,330
Operating Transfers Out	(1,134,161)	(1,134,161)	-	-	-	-	-	(230,330)	(230,330)	-	-	-
Net, Special Assessments Bond	-	-	-	-	-	-	-	-	-	-	-	-
TPFFA Assessments from Agency Funds	-	-	-	-	-	-	-	572,697	572,697	-	-	-
To - Payment to Comm Facilities District	-	-	-	-	-	-	-	-	-	-	-	-
Long Term Note Receivable (FDA)	-	-	-	-	-	-	-	-	-	-	-	-
Risk Position Workers' Comp Pool	-	(50,464)	(50,464)	-	-	-	-	-	-	-	-	-
Total Financing Sources (Uses):	(109,161)	(159,625)	(50,464)	-	-	-	-	342,367	342,367	109,161	339,491	230,330
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	\$ (318,091)	\$ 1,178,400	\$ 1,496,491	\$ (84,905)	(64,990)	\$ 19,915	\$ 155,715	\$ 94,242	\$ (61,473)	\$(1,154,113)	\$ 297,229	\$ 1,451,342
Fund Balance, July 1		5,065,451			1,868,286			1,051,067			2,451,909	
Fund Balance, June 30		<u>\$ 6,243,851</u>			<u>\$ 1,803,296</u>			<u>\$ 1,145,309</u>			<u>\$ 2,749,138</u>	

Fund Balance, July 1
Fund Balance, June 30

The notes to the financial statements are an integral part of this statement.

TOWN OF TIBURON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1 – Summary of significant accounting policies:

Description of financial reporting entity

As required by generally accepted accounting principles as accepted in the United States of America, these financial statements present the Town of Tiburon (the "Town") as the primary government, and the component units for which the Town is financially accountable. The component units discussed below are included in the Town's reporting entity because of the significance of their operational and/or financial relationships with the Town.

Description of blended component units

The following component units, although legally separate entities, are reported as if they were part of the primary government, because the Town Council of the Town is that component unit's governing body, or appoints the majority of representatives to the unit's governing board, or the unit provides services entirely to the Town. Under the blended method of inclusion, the component units' balances and transactions are reported in a manner similar to the balances and transactions of the Town itself.

As a result, the general purpose financial statements of the Town include the Tiburon Redevelopment Agency ("Agency") and the Tiburon Public Facilities Financing Authority ("Authority"). Their financial operations are closely related and the Town Council has continuing oversight responsibility over these entities.

The Agency was created under provisions of the Community Redevelopment Law (California Health and Safety Code, commencing with §33000) primarily to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the Town.

The Authority was established in 1990 pursuant to a Joint Exercise of Powers Agreement between the Town and the Agency. The agreement authorizes the Authority to provide financing for public capital improvements and to acquire underlying obligations issued by or on behalf of the Town.

Description of joint ventures

The Town participates in three (3) joint power agencies through formally organized and separate entities. The financial activities of the Belvedere-Tiburon Joint Recreation Committee, the Marin County Risk Management Authority ("MCRMA") and the Association of Bay Area Governments ("ABAG") are not included in the accompanying general purpose financial statements, because they are administered by governing boards which are separate from and independent of the Town.

Fund accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, and revenues and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds and groups are organized as follows:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the Town as an agent for individuals, governmental entities and others. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to maintain control and cost information concerning capital assets owned by the Town.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for unmatured general long-term indebtedness of the Town, including vested vacation and sick leave obligations.

Basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general purpose financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included in the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and fiduciary fund types are accounted for using the modified accrual basis of accounting under which revenues are recognized when received, or accrued when they become measurable and available as current assets. Revenues susceptible to accrual include taxes, interest and intergovernmental revenues. Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term obligations are recognized when due.

Budgetary principles

The Town Council adopts the budget and a total appropriation for all funds by passage of a resolution. Any increase or decrease in the total budget requires approval of the Town Council. The Town Council also approves reallocations of existing resources when a program or project is materially changed, approves new programs and projects upon notification of unanticipated revenues, and approves reductions in appropriations for programs upon material reductions in estimated revenues. Budget appropriations lapse at the end of the fiscal year.

Cash and investments

The Town follows the practice of pooling cash and investments representing time certificates of deposit. Investment securities are stated at market value. The Town considers all short-term interest-bearing investments with original maturities of three months or less when purchased to be cash equivalents.

Fixed assets

Fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capitalized acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. Additions are recorded at historical cost, and dispositions are reported on the basis of carrying value. Donated property is valued at the fair market value on the date donated. Public domain (infrastructure) general fixed assets consisting of certain improvements – roads, bridges, curbs, streets and sidewalks, storm drainage systems, and street lighting systems – are not capitalized.

The costs of normal maintenance and repairs that do not add to the value of the assets, or materially extend asset lives, are not capitalized.

Compensated absences

Unused vacation leave may be accumulated and is paid at the time of termination from Town employment. Unused sick leave may be accumulated and is generally paid at termination up to a maximum of sixty (60) days. The long-term liability for unpaid vacation and sick leave is recorded within the General Long-Term Debt Account Group.

Special assessment debt

The Town is considered to be "obligated in some manner," as defined by Governmental Accounting Standards Board Statement No. 6, for some of its special assessment debt. The Town is obligated to initiate action to purchase properties on which owners have failed to pay installments of assessments as they fall due, and the Town is obligated to honor deficiencies to the extent that lien foreclosure proceeds are insufficient. This special assessment debt has been included in the General Long-Term Debt Account Group (see Note 5), and special assessment transactions are included in the Debt Service Fund to reflect individual special assessment funds' activities.

Property tax revenues

Property taxes attach as an enforceable lien as of March 1. Property taxes are levied annually on July 1, and are payable in two (2) installments on December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per state legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. Town property tax revenues are recognized in the fiscal year for which taxes have been levied, provided they become available. Available means due or past due and receivable within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Comparative data

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements because their inclusion would make the general purpose financial statements unduly complex and difficult to read.

Totals (Memorandum Only)

The columns in the financial statements captioned, "Totals (Memorandum Only)," are presented for purposes of additional analysis and are not a required part of the basic component unit financial statements. These data are not comparable to a consolidation and do not present financial position or results of operations in conformity with generally accepted accounting principles as accepted in the United States of America.

Statement calculations and use of estimates

Due to rounding, column and row calculations may approximate actual figures. Approximations may result when decimal places are eliminated to present whole numbers.

The preparation of financial statements in conformity with generally accepted accounting principles as accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

New governmental accounting standards

The Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (“Statement No. 34”), in June 1999. Statement No. 34 establishes new financial reporting requirements for state and local governments. The Town has not adopted the new standard for the fiscal year ended June 30, 2003, but must adopt the standard by the fiscal year ending June 30, 2004. The effect of the new standard on the financial statements has not been determined.

NOTE 2 – Cash and investments:

The Town pools the cash and investments of all funds except for restricted funds generally held by outside custodians/trustees. Each fund’s portion of the total pool is summarized by fund type in the combined and combining balance sheets and is reported as cash and investments.

Credit risk, carrying amount and market value of investments

The Town invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic system registering the owner in the records of the institution issuing the security called *book entry system*.

The Town categorizes its individual securities instruments in ascending order to reflect the relative risk of loss of these instruments. This risk is called Credit Risk -- the lower the number, the lower the risk.

The three levels of risk prescribed by generally accepted accounting principles as accepted in the United States of America are described below:

Category 1 – Securities instruments in this category are in the Town’s name and are in the possession of the Trust Department of the bank employed by the Town solely for this purpose. The Town is the registered owner of securities held in book entry form by the bank’s trust department.

Category 2 – Securities instruments and book entry form securities in this category are in the bank’s name but are held by its trust department in a separate account in the Town’s name.

Category 3 – The Town’s investments in this category include only Town-owned securities instruments or book entry form securities which were not in the Town’s name or which were not held by the bank’s trust department.

Pooled investments – Pooled investments are not categorized because of their pooled, rather than individual, nature.

Cash and investments are classified as follows at June 30, 2003:

	Available for Operations	Restricted	Carrying Value	Market Value
Non-categorized:				
Cash on hand	\$ 700	\$ -	\$ 700	\$ 700
Cash deposits:				
Cash in banks	16,741	-	16,741	16,741
Pooled investments:				
Local Agency Investment Fund	11,114,048	21,715	11,135,763	11,167,458
Workers' Compensation Pool		89,296	89,296	89,296
Category 2:				
Investments with fiscal agents:				
Mutual funds invested in U.S.				
Treasury securities		319,108	319,108	319,108
Total cash and investments	\$ 11,131,489	\$ 430,119	\$ 11,561,608	\$ 11,593,303

The Town’s investment policy authorizes the Town to invest in the State of California’s Local Agency Investment Fund (“LAIF”), obligations of the United States Treasury and other federal agencies, certificates of deposit, banker’s acceptances and repurchase agreements. Cash and investments held by trustees generally represent various deposits in bond reserve accounts with the bond trustees for the Town’s special assessment or community facility district bond issues. In addition, the Town has assets held in the Marin County Risk Management Authority Worker’s Compensation Self Insurance Program (see Note 7). These monies are governed by the trustee agreements between the Town and the trustee which state how the monies in the bond reserve accounts are to be invested.

LAIF totals include \$833,468, which represents the market value of the pooled investment share of the Agency, whose assets, liabilities, revenues and expenditures are included in the Special Revenue Funds section of the financial statements of the Town. Regular LAIF pooled investments of the Town total \$10,302,295, of which \$21,715 has been restricted for the Main Street Limited Obligation Improvement Bond. This amount was previously held by a trustee. The fair value change in these investments for the year came to an amount that was not material for presentation in the financial statements.

At June 30, 2003, the carrying amount of the Town’s bank deposits was \$16,741 and the bank balance was \$178,962. The difference between the carrying amount and the bank balance is predominantly accounted for in outstanding checks. Of the bank balance, up to \$100,000 is insured by the Federal Depository Insurance Corporation.

NOTE 3 – Notes receivable:

Notes receivable consist of the following at June 30, 2003:

Developer (Cecilia Place Senior Housing)	\$ 663,411
Town Manager	500,000
Past employee	60,047
Marin County Housing Development Financing Corporation	174,756
	<u>\$ 1,398,214</u>

Developer (Cecilia Place Senior Housing)

At June 30, 2003, the Agency has \$663,411 in notes receivable due from Cecilia Place Homes Limited Partnership, a California limited partnership (the "Developer"). The notes are secured by a Deed of Trust, bear annual interest as defined and are due on March 31, 2027. The notes consist of the following:

Notes receivable from Developer:

Bears annual interest at 3%	\$ 439,149
Interest free	224,262
	<u>\$ 663,411</u>

Interest receivable at June 30, 2003 (not reported in the accompanying financial statements)

\$ 82,338

In fiscal 1997, the Ecumenical Association for Housing completed the Cecilia Place Senior Housing Improvement Project. The Agency's Housing Set-Aside Fund funded a portion of the site and building construction improvements of the project.

In addition, the Agency loaned the Developer \$339,149 for predevelopment and construction costs (the "Original Loan"). The Original Loan bears simple interest at 3% per annum, commencing on March 31, 1997, and is due thirty years after that date. The Agency later modified the Original Loan. In the First Modification to the Development, Disposition and Loan Agreement ("DDLA"), the Agency increased the Original Loan amount by \$412,373 (the "Supplemental Component"), which increased the principal amount of the loan to \$751,522. The Supplemental Component was not intended to bear interest. The Second Amendment to the DDLA amended the interest rate provisions to make \$100,000 of the Supplemental Component bear interest at 3%.

Related party

In conjunction with the hiring of the Town Manager in September 2000, the Town provided a second mortgage secured by a deed of trust on the Town Manager's primary residence in the amount of \$277,916. Effective September 1, 2002, the Loan was amended whereby the Town refinanced the existing first and second deeds of trust, and a portion of a third deed of trust, up to a maximum total amount of \$500,000. The amended loan is secured by a first deed of trust, and is payable in monthly (interest only) installments. The loan bears interest at the LAIF rate (up to a

maximum of 5%) in effect for May and November of each year, and will be adjusted July 1st and January 1st, respectively, of each year. The rate at June 30, 2003 was 1.7%. The loan shall be fully due and payable when (1) the property for which the loan is made is no longer the Town Manager's primary residence, or (2) within six months of the Town Manager's termination of employment. At June 30, 2003, the principal outstanding on the note was \$500,000. This amount is recorded as a note receivable from related party in the General Fund.

Past employee

On June 30, 1987, the Town loaned \$89,500 to the then Assistant Town Clerk for the purpose of assisting with the purchase of a low and moderate income residence in Tiburon. Under terms of the note collateralized by a first deed of trust, the debt is payable in monthly installments including interest at 5.55% per annum for thirty (30) years. At June 30, 2003, the principal outstanding on the note was \$60,047. This amount is recorded as a note receivable in the Low and Moderate Income Housing Capital Projects Fund.

Marin County Housing Development Financing Corporation

During the fiscal year ended June 30, 1992, the Town advanced the Marin County Housing Development Financing Corporation (the "Corporation") \$300,000 collateralized by a deed of trust, for construction of three (3) additional housing units in the Bradley House complex. In March 1993, the Town and the Corporation finalized the \$300,000 loan agreement, which called for varying annual payments beginning December 31, 1992 through December 31, 2009. These annual payments increased from \$22,006 to \$33,005 at various dates over the term of the loan agreement. The note bore interest at rates ranging from 3.965% to 11.550%. On March 24, 2003, the promissory note was amended, whereby the note bears interest at 5.25%, or 2% above the Local Agency Investment Fund rate, whichever is higher, and is adjusted monthly. At June 30, 2003, the principal outstanding on the note was \$174,756. This amount is recorded as a note receivable in the Low and Moderate Income Housing Capital Projects Fund.

NOTE 4 - Fixed assets:

The changes in the General Fixed Assets Account Group for the fiscal year ended June 30, 2003 are as follows:

	Balance			Balance
	June 30, 2002	Additions	Dispositions	June 30, 2003
Land	\$ 637,186	\$ -	\$ -	\$ 637,186
Building and improvements	4,951,340	-	-	4,951,340
Furniture and equipment	2,116,566	98,422	-	2,214,988
	<u>\$ 7,705,092</u>	<u>\$ 98,422</u>	<u>\$ -</u>	<u>\$ 7,803,514</u>

NOTE 5 - Long-term obligations:

Changes in long-term obligations and debt for the fiscal year ended June 30, 2003 are as follows:

	Balance June 30, 2002	Additions	Reductions	Balance June 30, 2003
Compensated absences	\$ 313,493	\$ -	\$ 54,840	\$ 258,653
Bonds payable	1,380,000	-	485,000	895,000
Special assessment debt	3,003,300	-	255,100	2,748,200
	<u>\$ 4,696,793</u>	<u>\$ -</u>	<u>\$ 794,940</u>	<u>\$ 3,901,853</u>

Bonds and special assessment debt payable at June 30, 2003, by individual issue, are as follows:

	Due Serially to Year	Interest Rate	Principal Remaining
<u>Bonds payable:</u>			
Mark-Roos Local Bond Pooling Act (Tiburon Public Facilities 1996) (1)	2015	5.11%-6.0%	<u>\$ 895,000</u>

(1) These bonds are collateralized by the revenues received by the Tiburon Public Facilities Financing Authority ("TPFFA").

<u>Special Assessment Debt:</u>			
Linda Vista Assessment District, 1994-2	2011	4.50%-6.50%	\$ 44,200
Gilmartin Drive Assessment District (Refunding, 1993-1)	2007	6.32%-6.70%	865,000
Main Street Assessment District	2020	6.30%	389,000
Stewart Drive Assessment District	2029	3.25%-5.30%	1,450,000
			<u>\$ 2,748,200</u>

Annual requirements to amortize all bonds and special assessment debt obligations outstanding as of June 30, 2003 are as follows:

Fiscal Years Ending June 30,	TPFFA Bonds	Special Assessment Bonds
2004	\$ 177,477	\$ 411,791
2005	185,081	411,431
2006	181,930	414,645
2007	163,705	328,489
2008	136,140	145,324
2009-2013	194,300	719,773
2014-2018	33,000	686,209
2019-2023	-	622,953
2024-2028	-	513,957
2029-2033	-	100,035
	<u>1,071,633</u>	<u>4,354,607</u>
Less interest	176,633	1,606,407
Balance at June 30, 2003	<u>\$ 895,000</u>	<u>\$ 2,748,200</u>

Other Special Assessment Districts

For the other special assessment and community facilities districts' bonds listed below, the Town acts as an agent in the collection of the bond repayment assessment, and accordingly unpaid principal balances at June 30, 2003 are not included in the Town's General Long-Term Debt Account Group.

The unpaid balances at June 30, 2003 are as follows:

	Due Serially to Year	Interest Rate	Principal Remaining
Point Tiburon Community Facilities District 1985, Refunding Series 1990-1	2008	4.22%-5.05%	\$ 637,000
Via Capistrano Assessment District, 1990-1	2015	4.79%-5.05%	144,000
Hillhaven Undergrounding Assessment District, 1990-2	2006	4.33%-4.80%	141,000

NOTE 6 - Fund equity:

Fund equity for the General Fund consists of three categorizations: (i) reserved, (ii) unreserved and designated, and (iii) unreserved and undesignated.

Portions of unreserved fund equity may be designated to indicate tentative plans for utilization of fund resources in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and have not been legally authorized and/or may not result in expenditures.

The "unreserved and designated" fund equity of the General Fund on June 30, 2003 is comprised of the following:

Capital Outlay	\$ 396,616
Reserve Traffic System	400,000
Capital Equipment Replacement	230,381
Streets and Drainage	516,650
Storm Damage	100,000
Employee Compensated Leave	220,185
Employee Housing Assistance	400,000
Retirement Surplus Assets	233,699
Self-insurance	(59,491)
New Public Works Facility	486,367
Park Development	316,295
	\$ 3,240,701

- ◆ Capital Outlay: To provide funding for the acquisition, construction or improvement of public property or facilities.
- ◆ Reserve Traffic System: To provide resources for traffic circulation and signalization improvement projects.
- ◆ Capital Equipment Replacement: To provide funding for General Fund operating departmental capital outlay expenditures.
- ◆ Streets and Drainage: To provide resources for construction of improvements to the storm drain collection system.
- ◆ Storm Damage: To provide reserve funding for expenditures related to damage caused by storms.
- ◆ Employee Compensated Leave: To provide funding for employee compensated vacation and sick leave costs.
- ◆ Employee Housing Assistance: To provide funding to assist Town employees with housing.
- ◆ Retirement Surplus Assets: To account for employer paid retirement contributions not remitted due to super funded status.
- ◆ Self-insurance: To provide reserve funding for the Town's self-insured general liability, workers' compensation and unemployment insurance programs.
- ◆ New Public Works Facility: To provide resources for acquiring, constructing or improving new public works facility.
- ◆ Park Development: To provide resources for the improvement or maintenance of park facilities, not accounted for in the General Fund operating budget.

NOTE 7 - Workers' compensation and general liability self-insurance pool(s):

Workers' compensation

The Town participates in a joint powers agreement through the Marin County Risk Management Authority ("MCRMA"). The Town currently reports all of its workers' compensation related risk management activities in its General Fund (Self-Insurance Reserve). Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

MCRMA was created July 1, 1997 by an agreement between certain public agencies in Marin County to provide workers' compensation coverage. MCRMA is governed by a Board of Directors which is comprised of officials appointed by each member city or town.

The workers' compensation fund is self-insured for the first \$250,000 of loss per accident; excess coverage policy is provided by an outside insurance carrier up to statutory limits.

As defined by Government Accounting Standards Board ("GASB") Statement 10, MCRMA is "a claims serving or account pool." MCRMA manages separate accounts for each pool member from which losses and expenses of that member are paid, up to the self-insurance retention limit. MCRMA purchases commercial excess insurance. The annual assessments of each member include allocations for loss payments, expenses, and excess insurance premiums.

Annually, the MCRMA Pool evaluates the assets of each pool member in comparison to future liabilities. The "Financial Risk Position" of each member is determined by subtracting case reserves, incurred but not reported (IBNR) amounts and adverse claim development from members' cash balances. If a negative risk position is found, a supplemental premium is added to the annual assessment.

The Town had the following balances regarding its interest in the MCRMA for the fiscal years ended June 30:

	<u>2003</u>	<u>2002</u>
Cash balance, June 30, 2002	\$ 89,296	\$ 18,046
Town's contribution	104,000	132,004
Interest earned	unavailable	2,018
Claim recovery	unavailable	1,068
Expenses	unavailable	(63,840)
Cash balance, June 30, 2003	<u>unavailable</u>	<u>\$ 89,296</u>
Outstanding claims	\$ 172,640	\$ 185,798
Actuarial reserve	85,954	22332
Total liability for unpaid claims, June 30, 2003	<u>\$ 258,594</u>	<u>\$ 208,130</u>

Effective July 1, 2003, the Town transferred its membership from the Authority to the Bay Cities Joint Powers Insurance Authority (BCJPIA). Information related to the Town's cash balance at June 30, 2003 was unavailable as of the date of this report; however, in September 2003, the Authority transferred \$149,850 of the Town's cash balance to its account with BCJPIA.

Financial statements may be obtained from MCRMA, 1020-9th Street, Sacramento CA 95814. Condensed unaudited financial information of the Pool at and for the fiscal year ended June 30, 2003 is as follows (audited financial information for the year ended June 30, 2003 was not yet available):

Total assets	\$ 4,916,922
Total liabilities	7,563,102
Fund deficit	<u>\$ (2,646,180)</u>
Total revenues	\$ 1,984,204
Total expenditures	5,577,308
Net loss	<u>\$ (3,593,104)</u>

Ten (10) local agencies and municipalities were participants in the MCRMA Workers' Compensation Pool on June 30, 2003.

General liability

The Town participates in the Association of Bay Area Governments ("ABAG"), a Joint Exercise of Power Agency. ABAG PLAN provides the Town with \$7 million of coverage for general liability claims, in excess of \$50,000 of loss per occurrence (claim). For those claims below \$50,000 per occurrence the Town is self-insured. ABAG holds umbrella liability coverage up to \$7 million per single occurrence. Plan members may receive rebates when so declared by ABAG, or in the event excess liability claims exceed available resources members may be required to make additional contributions. The Town's contribution to the ABAG PLAN for the fiscal year ended June 30, 2003 was \$37,864.

ABAG PLAN is a self-insured, risk-sharing pool comprised of 29 member local agencies and cities in the San Francisco-Oakland Metropolitan Bay Area. The governing body includes one person from each member city or town and there is an annual election for the executive committee positions.

Financial statements may be obtained from ABAG, 101 Eighth Street P.O. Box 2050, Oakland, CA 94604. Condensed audited financial information of the ABAG PLAN, at and for the fiscal year ended June 30, 2002 is as follows (audited financial information for the fiscal year ended June 30, 2003 was not available) (in thousands):

Total assets	\$ 38,376
Total liabilities	16,015
Fund surplus	<u>\$ 22,361</u>
Total revenues	\$ 8,295
Total expenditures	3,857
Net income	<u>\$ 4,438</u>

NOTE 8 - Defined benefit pension plan:

The Town contributes to the California Public Employees' Retirement System ("PERS"), an agent multiple-employer public employee retirement system that acts as a common investment and

administrative agent for participating public entities within the State of California. All full-time employees of the Town are eligible to participate in PERS. Retirement benefits vest after five years of service. PERS also provides death and disability benefits. These benefits provisions and all other requirements are established by state statute and ordinances of the Town. Copies of PERS' annual financial report may be obtained from their Executive Office – 400 P Street, Sacramento, CA 95814.

Funding policy

Participants are required to contribute 7% (9% for safety) of their annual covered salary (\$2,573,147). The Town makes the contributions required of Town employees on their behalf and for their account. The Town is required to contribute at an actuarially determined rate; the current rate for both non-safety employees and police employees is 0% of annual covered payroll. The Town contributed \$199,164 during the fiscal year ended June 30, 2003 as its share of the actuarially determined contribution for police employees to cover the unfunded liability in the plan. Per state legislation, the State allowed the Town and other participating agencies not to make contributions to the PERS Fund during fiscal 1992 and future years, to the amount of any available credit to reduce any overfunded liability. The contribution requirements of plan members and the Town are established and may be amended by PERS.

Annual pension cost

For 2003, the Town's annual pension cost of \$199,164 for PERS was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: a) 8.25% investment rate of return (net of administrative expenses) and b) projected annual salary increases of 3.75% to 14.2%, depending on age, service and type of employment. Both a) and b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial excess assets is being amortized as a level percentage of projected payroll on a closed basis.

The contribution rate for normal cost is determined using the entry-age normal actuarial cost method, a projected benefit cost method. It takes into account those benefits that are expected to be earned in the future as well as those already accrued.

Significant actuarial assumptions used in the 2000 valuation to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

Historical trend information

Three-year trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Fiscal Year	Combined Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
6/30/01	\$ 148,716	100%	-
6/30/02	\$ 177,299	100%	-
6/30/03	\$ 199,164	100%	-

Required supplementary information - funding status of the plans:

Safety plan:

Valuation Date	Entry Age	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Actuarial (Asset) Liability as a % of Payroll
	Normal Accrued Liability					
6/30/2000	\$ 4,405,808	\$ 6,104,347	\$ (1,698,539)	138.55%	\$ 771,559	-220.14%
6/30/2001	\$ 4,874,018	\$ 6,319,269	\$ (1,445,251)	129.65%	\$ 778,876	-185.56%
6/30/2002	\$ 5,266,787	\$ 6,015,142	\$ (748,355)	114.21%	\$ 917,516	-81.56%
6/30/2003			*** not available ***			

Miscellaneous plan:

Valuation Date	Entry Age	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Actuarial (Asset) Liability as a % of Payroll
	Normal Accrued Liability					
6/30/2000	\$ 3,982,211	\$ 6,301,608	\$ (2,319,397)	158.24%	\$ 1,072,123	-216.34%
6/30/2001	\$ 4,674,406	\$ 6,383,153	\$ (1,708,747)	136.56%	\$ 1,176,913	-145.19%
6/30/2002	\$ 5,219,695	\$ 5,963,108	\$ (743,413)	114.24%	\$ 1,546,502	-48.07%
6/30/2003			*** not available ***			

NOTE 9 - Joint Powers Agency for recreation services:

The Town participates in a joint venture activity through a formally organized and separate entity (the Belvedere/Tiburon Joint Recreation Committee, "The Committee") established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, this entity exercises full powers and authorities within the scope of the Joint Powers Act of the State of California. As a separate legal entity, this entity exercises full powers and authorities within the scope of the Joint Powers Agreement including preparation of annual budgets, accountability for use of all funds, the power to make and execute contracts, and the right to sue and be sued.

The Committee was created in 1975 through a Joint Powers Agreement between the Town and the City of Belvedere to provide recreation activities and services to both communities. The Town appoints three members to the seven member governing committee. The Town's proportionate share in the costs to provide for certain recreation expenses is 80%, based on the populations of the communities.

Financial statements may be obtained from The Committee, 1505 Tiburon Blvd. Tiburon, CA 94920. A summary of the condensed audited annual financial statements of the Committee as of and for the fiscal year ended February 28, 2003 is as follows:

Total assets	\$ 365,321
Total liabilities	<u>204,324</u>
Fund surplus	<u>\$ 160,997</u>
Total revenues	\$ 632,784
Total expenditures	<u>645,453</u>
Net loss	<u>\$ (12,669)</u>

NOTE 10 - Litigation:

The Town has been named in various claims and lawsuits in the normal course of business, including litigation with the Marin Emergency Radio Authority (see Note 12). The Town is vigorously defending these actions. The amount of liability, if any, at June 30, 2003, with respect to these actions cannot be ascertained.

NOTE 11 - Excess of expenditures over fund appropriations:

For the fiscal year ended June 30, 2003, expenditures exceeded appropriations in the following individual funds:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
General government	\$ 20,500	\$ 72,539	\$ (52,039)
Public safety	139,859	180,486	(40,627)
Debt Service Funds:			
General government	-	5,473	(5,473)
Principal retirement	360,100	740,100	(380,000)
Interest and fiscal charges	222,555	248,755	(26,200)
Capital Projects Funds:			
Public works	-	77,506	(77,506)

NOTE 12 - Commitments and contingencies:

The Town participates in a joint powers agreement through the Marin Emergency Radio Authority ("MERA") under an operating agreement dated February 1, 1999. MERA was created July 1, 1997 by an agreement between certain public agencies in Marin County to provide a public safety radio system to its members. The members have agreed to assign a portion of their property tax revenues make annual payments, on a pro rata basis to cover the costs of debt financing and operating the system.

COMBINING INDIVIDUAL FUND AND ACCOUNT GROUP

STATEMENTS AND SCHEDULES

TOWN OF WILSON
COMBINING BALANCE SHEET
GENERAL FUND

JUNE 30, 2003

	General Operation	Capital Outlay	Reserve Traffic System	Capital Equipment Replacement	Streets & Drainage	Storm Damage	Employee Compensated Leave	Employee Housing Assistance	Retirement Surplus Assets	Self Insurance Reserve	New Police Facility	New PW Facility	Park Development	Totals (Memorandum Only)
	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2002
ASSETS														
Cash & Investments	\$ 2,354,379	\$ 396,616	\$ 400,000	\$ 230,381	\$ 530,202	\$ 100,000	\$ 220,185	\$ 400,000	\$ 233,699	\$ 199,103	\$ 107,149	\$ 486,367	\$ 316,295	\$ 5,136,630
Cash & Investments held by Trustee										89,296				89,296
Due from other Governmental Agencies	381,663													162,235
Other Receivables	2,451													162,596
Due From RDA														2,451
Interest Receivable	25,180													32,585
Note Receivable from Related Party	500,000													500,000
Receivable from RDA														277,916
Total Assets	\$ 3,263,673	\$ 396,616	\$ 400,000	\$ 230,381	\$ 530,202	\$ 100,000	\$ 220,185	\$ 400,000	\$ 233,699	\$ 288,399	\$ 107,149	\$ 486,367	\$ 316,295	\$ 6,972,966
														\$ 5,861,257
LIABILITIES & FUND EQUITY														
LIABILITIES														
Accounts Payable	\$ 46,394	\$ -	\$ -	\$ -	\$ 13,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,096
Accrued Liabilities	281,918													281,918
Deposits payable	21,507													21,507
Deferred Revenue										258,594				258,594
Current Liability (MCRMA)										258,594				258,594
Total Liabilities	\$ 349,819	\$ -	\$ -	\$ -	\$ 13,553	\$ -	\$ -	\$ -	\$ -	\$ 258,594	\$ 107,149	\$ -	\$ -	\$ 729,115
														\$ 208,130
														\$ 795,806
FUND EQUITY														
Reserved for Workers Compensation	500,000									89,296				(208,130)
Reserved for - Non-Current Receivables														277,916
Reserve for - Advances		396,616	400,000	230,381	516,650	100,000	220,185	400,000	233,699	(59,491)		486,367	316,295	3,240,701
Unreserved and designated	2,413,854													2,533,347
Unreserved and undesignated	2,913,854	396,616	400,000	230,381	516,650	100,000	220,185	400,000	233,699	29,805		486,367	316,295	2,462,319
Total Fund Equity	\$ 3,263,673	\$ 396,616	\$ 400,000	\$ 230,381	\$ 530,202	\$ 100,000	\$ 220,185	\$ 400,000	\$ 233,699	\$ 288,399	\$ 107,149	\$ 486,367	\$ 316,295	\$ 5,065,451
Total Liabilities & Fund Equity														\$ 5,861,257

**TOWN OF
ROCKY HILL**
COMBINING STATEMENT OF REVENUES EXPENDITURES
CHANGES IN FUND EQUITY BALANCES
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General Operation	Capital Outlay	Reserve Traffic System	Capital Equipment Replacement	Streets & Drainage	Storm Damage	Employee Compensated Leave	Employee Housing Assistance	Retirement Surplus Assets	Self Insurance Reserve	New Police Facility	New PW Facility	Park Development	Totals (Memorandum Only) 2003	2002
REVENUES															
Taxes	\$ 3,458,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,458,206	\$ 2,997,511
Licenses and Permits	817,365	-	-	-	-	-	-	-	-	-	-	-	-	817,365	835,438
Intergovernmental & Franchise	904,998	-	-	-	-	-	-	-	-	-	-	-	-	904,998	873,185
Charges for Services	309,228	-	-	-	-	-	-	-	-	-	-	-	-	309,228	287,747
Fines and Forfeitures	209,582	-	-	-	-	-	-	-	-	-	-	-	-	209,582	181,434
Interest Income	103,556	-	-	-	-	-	-	-	-	-	-	-	-	103,556	155,591
Other Revenue	59,610	-	-	135,000	-	-	-	-	190,932	-	-	-	-	385,542	336,828
Total Revenues	5,862,545	-	-	135,000	-	-	-	-	190,932	-	-	-	-	6,188,477	5,677,734
EXPENDITURES															
General Government	1,819,905	-	-	64,534	-	-	8,212	-	-	-	-	-	-	1,892,651	1,743,039
Public Safety	1,792,522	-	-	5,000	-	-	6,867	-	-	-	-	-	-	1,804,389	1,872,030
Public Works	1,001,507	-	-	47,478	-	-	3,007	-	-	-	-	-	-	1,051,992	1,004,596
Capital Projects	49,991	-	-	-	51,429	-	-	-	-	-	-	-	-	101,429	166,704
Total Expenditures	4,663,925	-	-	117,012	51,429	-	18,086	-	-	-	-	-	-	4,850,452	4,786,369
Excess (Deficiency) of Revenue over Expenditures	1,198,620	-	-	17,988	(51,429)	-	(18,086)	-	190,932	-	-	-	-	1,338,025	891,365
OTHER FINANCING SOURCES (USES)															
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	100,000	-	225,000	-	120,000	-	-	-	-	300,000	225,000	1,025,000	1,243,373
Reserve Reallocations In (Out)	(1,025,000)	-	-	-	-	-	-	-	-	-	-	-	(109,161)	(1,134,161)	(1,460,374)
Other Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Risk Position in MCRMA Pool	-	-	-	-	-	-	-	-	-	(50,464)	-	-	-	(50,464)	31,663
Total Financing Sources (Uses)	(1,025,000)	55,000	100,000	-	225,000	-	120,000	-	-	(50,464)	-	300,000	115,839	(159,625)	(185,338)
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	173,620	55,000	100,000	17,988	173,571	-	101,914	-	190,932	(50,464)	-	300,000	115,839	1,178,400	706,027
Fund Balance, July 1	2,740,234	341,616	300,000	212,993	343,079	100,000	118,271	400,000	42,767	80,289	186,367	200,457	200,457	5,065,454	4,359,425
Fund Balance, June 30	\$ 2,913,854	\$ 396,616	\$ 400,000	\$ 230,381	\$ 516,650	\$ 100,000	\$ 220,185	\$ 400,000	\$ 233,699	\$ 29,805	\$ 486,367	\$ 316,296	\$ 316,296	\$ 6,243,654	\$ 5,065,452

TOWN OF TIBURON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

JUNE 30, 2003

	State Gas Tax	State Traffic Congestion Relief	Police Asset Forfeiture	Police Supplemental		COPS Tech Grant	RDA General Tax Increment	RDA Housing Set-Aside	Cypress Hollow	Totals (Memorandum Only)	
				Law Enforcement	Enforcement					2003	2002
ASSETS											
Cash & Investments	\$ 362,945	\$ 41,449	\$ 88	\$ 54,330	\$ 16,530	\$ 201,494	\$ 638,955	\$ 71,932	\$ 1,387,722	\$ 1,325,587	
Other Receivables	-	5,966	-	-	-	-	-	83	6,049	1,895	
Interest Receivable	1,606	183	-	240	73	892	2,832	318	6,145	9,021	
Tax Increment Receivable	-	-	-	-	-	90,052	31,467	-	121,519	349,221	
Notes Receivable	-	-	-	-	-	-	663,411	-	663,411	669,544	
Total Assets	\$ 364,551	\$ 47,598	\$ 88	\$ 54,570	\$ 16,603	\$ 292,437	\$ 1,336,665	\$ 72,333	\$ 2,184,846	\$ 2,355,267	
LIABILITIES & FUND EQUITY											
LIABILITIES											
Accounts Payable	\$ 347,074	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 4,475	\$ -	\$ 381,549	\$ 106,245	
Accrued Liabilities	-	-	-	-	-	-	-	-	-	873	
Deposits Payable	-	-	-	-	-	-	-	-	-	-	
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	
Due to Town of Tiburon	-	-	-	-	-	-	-	-	-	-	
Due to Pt. Tiburon Community Facilities District	-	-	-	-	-	-	-	-	-	379,863	
Total Liabilities	347,074	-	-	-	-	30,000	4,475	-	381,549	486,981	
FUND EQUITY											
Reserved for - Low & Moderate Income Housing	-	-	-	-	-	-	668,779	-	668,779	601,441	
Reserved for - Non-Current Receivables	-	-	-	-	-	-	663,411	-	663,411	669,544	
Reserved for - Advance to RDA General	-	-	-	-	-	-	-	-	-	-	
Unreserved and undesignated	17,477	47,598	88	54,570	16,603	262,437	-	72,333	471,107	597,301	
Total Fund Equity	17,477	47,598	88	54,570	16,603	262,437	1,332,190	72,333	1,803,297	1,868,286	
Total Liabilities & Fund Equity	\$ 364,551	\$ 47,598	\$ 88	\$ 54,570	\$ 16,603	\$ 292,437	\$ 1,336,665	\$ 72,333	\$ 2,184,846	\$ 2,355,267	

TOWN OF IRON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY BALANCES
SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	State Gas Tax	State Traffic Relief	Police Asset Forfeiture	Police Supplemental Law Enforcement	COPS Tech Grant	RDA General Tax Increment	RDA Housing Set-Aside	Cypress Hollow	Totals (Memorandum Only)
									2003
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,629	\$ 53,325	\$ 16,640	\$ 238,594
Intergovernmental & Franchise	174,785	22,630	-	100,000	16,449	-	-	1,724	315,588
Interest Income	7,508	752	-	2,065	154	4,224	13,001	-	27,704
Other Revenue	-	-	-	-	-	(2,278)	-	-	(2,278)
Total Revenues	182,293	23,382	-	102,065	16,603	170,575	66,326	18,364	579,608
EXPENDITURES									
General Government	1,202	-	-	-	-	66,216	5,121	-	72,539
Public Safety	-	-	-	180,486	-	-	-	-	180,486
Public Works	25,553	-	-	-	-	-	-	14,035	39,588
Capital Projects	351,985	-	-	-	-	-	-	-	351,985
Total Expenditures	378,740	-	-	180,486	-	66,216	5,121	14,035	644,598
Excess (Deficiency) of Revenues over Expenditures	(196,447)	23,382	-	(78,421)	16,603	104,359	61,205	4,329	(64,990)
OTHER FINANCING SOURCES (USES)									
Operating Transfers In (Out)	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-
Pt. Tiburon Community Facilities District	-	-	-	-	-	-	-	-	-
Total Financing Sources (Uses):	-	-	-	-	-	-	-	-	(379,863)
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	(196,447)	23,382	-	(78,421)	16,603	104,359	61,205	4,329	(64,990)
Fund Balance, July 1	213,924	24,216	88	132,991	-	158,078	1,270,985	68,004	1,868,286
Fund Balance, June 30	\$ 17,477	\$ 47,598	\$ 88	\$ 54,570	\$ 16,603	\$ 262,437	\$ 1,332,190	\$ 72,333	\$ 1,803,296
									\$ 1,868,286
									\$ 1,868,285

TOWN OF JIRON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS

JUNE 30, 2003

	1972 Open Space Bonds	Tiburon Public Facilities Financing	Special Assessment Districts							Totals (Memorandum Only)			
			Mt. View Drive	Stewart Drive	Main Street	Linda Vista	Lyford Cove	Del Mar Valley	Giltmartin Drive	2003	2002		
ASSETS													
Cash & Investments	\$ 23,665	\$ (6,031)	\$ 93,675	\$ 123,907	\$ 32,759	\$ 23,227	\$ 74,520	\$ 71,000	\$ 360,395	\$ 797,116	\$ 730,646		
Cash & Investments held by Trustee		217,620		29,357	21,715				72,132	340,823	313,591		
Other Receivables				510	183	34		2,000	1,443	4,170	2		
Interest Receivable	105	21	415	546	241	95	200	221	1,595	3,438	7,150		
Due from Agency Funds to TPFPA				1,450,000	389,000	44,200			865,000	2,748,200	3,003,300		
Special Assessments Receivable				\$ 1,604,320	\$ 443,898	\$ 67,556	\$ 74,720	\$ 73,221	\$ 1,300,564	\$ 3,993,748	\$ 4,054,689		
Total Assets	\$ 23,769	\$ 211,610	\$ 94,090	\$ 1,604,320	\$ 443,898	\$ 67,556	\$ 74,720	\$ 73,221	\$ 1,300,564	\$ 3,993,748	\$ 4,054,689		
LIABILITIES & FUND EQUITY													
LIABILITIES													
Accounts Payable												83	
Accrued Liabilities						239				239		240	
Deferred - Payable to TPFPA				1,450,000	389,000	44,200			865,000	2,748,200	3,003,300		
Deferred Revenue (Assessments)				1,450,000	389,000	44,439			865,000	2,748,439	3,003,623		
Total Liabilities				1,450,000	389,000	44,439			865,000	2,748,439	3,003,623		
FUND EQUITY													
Reserved for - Debt Service	23,769	211,610	94,090	154,320	54,898	23,117	74,720	73,221	435,564	1,145,309	1,051,067		
Unreserved and undesignated													
Total Fund Equity	23,769	211,610	94,090	154,320	54,898	23,117	74,720	73,221	435,564	1,145,309	1,051,067		
Total Liabilities & Fund Equity	\$ 23,769	\$ 211,610	\$ 94,090	\$ 1,604,320	\$ 443,898	\$ 67,556	\$ 74,720	\$ 73,221	\$ 1,300,564	\$ 3,993,748	\$ 4,054,689		

TOWN OF JIRON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY BALANCES -
DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	1972 Open Space Bonds	Tiburon Public Facilities Financing	Special Assessment Districts										Totals (Memorandum Only)				
			Mt. View Drive	Stewart Drive	Main Street	Linda Vista	Lymard Cove	Del Mar Valley	Gilmartin Drive	2003	2002						
REVENUES																	
Taxes	\$ 158	\$ -	\$ 102,098	\$ 36,717	\$ 6,651	\$ 128,000	\$ 313,427	\$ 697,051	\$ 467,543								
Interest Income	579	3,885	3,630	868	471	200	5,564	17,711	53,816								
Other Revenue			29,985		1,456			31,441	1,560								
Total Revenues	737	3,885	135,713	37,585	8,578	128,200	318,991	746,203	522,919								
EXPENDITURES																	
General Government			5,473					5,473									
Debt Service																	
Principal Retirement		485,000	15,500	11,000	3,600		225,000	740,100	867,013								
Interest and Fiscal Charges	174	65,907	82,465	25,928	3,351		70,930	248,755	364,830								
Total Expenditures	174	550,907	103,438	36,928	6,951		295,930	994,328	1,231,843								
Excess (Deficiency) of Revenues over Expenditures	563	(547,022)	32,275	657	1,627	128,200	23,061	(248,125)	(708,924)								
OTHER FINANCING SOURCES (USES)																	
Source - Transfer In			(139,850)			(53,480)	(37,000)	(230,330)	(1,289,667)								
Uses - Transfers Out																	
Sources -																	
Other - TPFFA Assessments from Agency Funds		572,697						572,697	684,816								
Other - Special Assessments Bond									1,465,500								
Total Financing Sources (Uses):		572,697	(139,850)	-	(53,480)	(37,000)	-	342,367	860,649								
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	563	25,675	(107,575)	657	1,627	74,720	23,061	94,242	151,725								
Fund Balance, July 1	23,206	185,935	91,797	261,895	54,241	-	412,503	1,051,067	899,342								
Fund Balance, June 30	\$ 23,769	\$ 211,610	\$ 94,090	\$ 154,320	\$ 54,898	\$ 74,720	\$ 435,564	\$ 1,145,309	\$ 1,051,067								

TOWN OF IRON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS

JUNE 30, 2003

	Town's Low & Moderate Income Housing	Del Mar Valley Construction	Lyford Cove Construction	Downtown Art Project	State Prop 116 Waterfront Access	Tiburon Parks In-Lieu	Open Space Acquisitions	Property Development	Marsh Restoration	Street Frontage Improvement	Tiburon Planning Area Mitigation
ASSETS											
Cash & Investments	\$ 1,047,645	\$ -	\$ 11,480	\$ 58,892	\$ (8,100)	\$ 15,243	\$ 155,718	\$ 24,243	\$ 92,296	\$ 1,994	\$ 216,666
Due from government agencies					8,125	60,000					
Interest Receivable	4,636			261		67	689	107	409	9	959
Receivable from RDA											
Notes Receivable	234,803										
Total Assets	\$ 1,287,084	\$ -	\$ 11,480	\$ 59,153	\$ 25	\$ 75,310	\$ 156,407	\$ 24,350	\$ 92,705	\$ 2,003	\$ 217,624
LIABILITIES & FUND EQUITY											
LIABILITIES											
Accounts Payable	\$ 234	\$ -	\$ 11,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities											
Special Deposits	4,950										
Deferred Revenue											
Total Liabilities	\$ 5,184	\$ -	\$ 11,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND EQUITY											
Reserved - Low & Moderate Housing	1,047,097										
Reserved - Non-Current Receivables	234,803				25	75,310	156,407	24,350	92,705	2,003	217,624
Reserved - Advances				59,153							
Unreserved and undesignated				59,153							
Total Fund Equity	\$ 1,281,900	\$ -	\$ -	\$ 59,153	\$ 25	\$ 75,310	\$ 156,407	\$ 24,350	\$ 92,705	\$ 2,003	\$ 217,624
Total Liabilities & Fund Equity	\$ 1,287,084	\$ -	\$ 11,480	\$ 59,153	\$ 25	\$ 75,310	\$ 156,407	\$ 24,350	\$ 92,705	\$ 2,003	\$ 217,624

TOWN OF IRON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS

JUNE 30, 2003

	Tiburon Playground	Heritage & Arts Project	Tiburon Circulation System Improvement	Tiburon Street Impact	Stewart Drive Construction	Tiburon Long-Range Planning	Totals (Memorandum Only) 2003	2002
ASSETS								
Cash & Investments	\$ 11,858	\$ 4,643	\$ 162,591	\$ 854,975	\$ -	\$ 83,276	\$ 2,733,420	\$ 1,965,201
Due from government agencies							68,125	710,000
Interest Receivable	52	21	719	3,783		366	12,079	16,230
Receivable from RDA								
Notes Receivable								
Total Assets	\$ 11,910	\$ 4,663	\$ 163,311	\$ 858,759	\$ -	\$ 83,642	\$ 3,048,427	\$ 2,944,361
LIABILITIES & FUND EQUITY								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ 279,139	\$ -	\$ 2,859	\$ 293,712	\$ 111,107
Accrued Liabilities						629	629	-
Special Deposits						4,950	4,950	4,950
Deferred Revenue								376,395
Total Liabilities	-	-	-	279,139	-	3,487	299,290	492,452
FUND EQUITY								
Reserved - Low & Moderate Housing							1,047,097	946,162
Reserved - Non-Current Receivables							234,803	252,930
Reserved - Advances	11,910	4,663	163,311	579,620		80,155	1,467,237	1,252,817
Unreserved and undesignated	11,910	4,663	163,311	579,620		80,155	2,749,137	2,451,909
Total Fund Equity	\$ 11,910	\$ 4,663	\$ 163,311	\$ 858,759	\$ -	\$ 83,642	\$ 3,048,427	\$ 2,944,361

TOWN OF TIBURON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY BALANCES
CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Town's Low & Moderate Income Housing	Del Mar Valley Construction	Lyford Cove Construction	Downtown Art Project	State Prop 116 Waterfront Access	Tiburon Parks In-Lieu	Open Space Acquisition	Property Development	Marsh Restoration	Street Frontage Improvement	Tiburon Planning Area Mitigation	Tiburon Playground
REVENUES												
Taxes												
Intergovernmental & Franchise	2,900	-	-	-	384,520	60,000	-	2,250	-	-	-	500
Interest Income	48,301	-	-	1,004	-	1,116	3,810	690	2,259	49	4,872	298
Other Revenue	64,600	-	-	59,149	-	23,137	-	-	2,259	-	35,348	-
Total Revenues	115,801	-	-	60,153	384,520	84,253	3,810	2,940	2,259	49	40,220	798
EXPENDITURES												
General Government	30,609	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	22,568	-	-	-	-	-	-	-
Public Works	2,381	37,000	53,480	1,000	433,722	60,000	-	22,230	-	-	-	690
Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
Other - Acquisition Open Space	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	32,990	37,000	53,480	1,000	456,290	60,000	-	22,230	-	-	-	690
Excess (Deficiency) of Revenues over Expenditures	82,811	(37,000)	(53,480)	59,153	(71,770)	24,253	3,810	(19,290)	2,259	49	40,220	108
OTHER FINANCING SOURCES (USES)												
Other - Transfer In	-	37,000	53,480	-	109,161	-	-	-	-	-	-	-
Other - Transfer Out (LVDS)	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Sources (Uses):	-	37,000	53,480	-	109,161	-	-	-	-	-	-	-
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	82,811	-	-	59,153	37,391	24,253	3,810	(19,290)	2,259	49	40,220	108
Fund Balance, July 1	1,199,092	-	-	-	(37,366)	51,057	152,597	43,640	90,446	1,954	177,404	11,802
Fund Balance, June 30	\$ 1,281,903	\$ -	\$ -	\$ 59,153	\$ 25	\$ 75,310	\$ 156,407	\$ 24,350	\$ 92,705	\$ 2,003	\$ 217,624	\$ 11,910

TOWN OF TIBURON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY BALANCES
CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Heritage & Arts Project	Tiburon Circulation System Improvement	Tiburon Street Impact	Stewart Drive Construction	Tiburon Long-Range Planning	Totals (Memorandum Only) 2002	2002
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 3,000
Intergovernmental & Franchise	5,865					453,785	333,605
Interest Income	62	3,970	17,344		2,894	86,669	99,830
Other Revenue	-	27,671	300,738		41,070	551,713	372,798
Total Revenues	5,927	31,641	318,082		43,964	1,084,417	809,233
EXPENDITURES							
General Government	2,240				119,623	152,472	73,675
Public Safety			54,938			77,506	-
Public Works		14,470	242,398	39,330		906,701	1,959,067
Capital Projects							
Other - Acquisition Open Space							
Total Expenditures	2,240	14,470	297,336	39,330	119,623	1,136,679	2,032,742
Excess (Deficiency) of Revenues over Expenditures	3,687	17,171	20,746	(39,330)	(75,659)	(42,262)	(1,223,510)
OTHER FINANCING SOURCES (USES)							
Other - Transfer In				139,850		339,491	1,439,667
Other - Transfer Out (LVDS)							(152,580)
Total Financing Sources (Uses):				139,850		339,491	1,287,087
Excess (Deficiency) of Revenue & Sources over Expenditures and Uses	3,687	17,171	20,746	100,520	(75,659)	297,229	63,578
Fund Balance, July 1	976	146,140	558,874	(100,520)	155,814	2,451,910	2,388,332
Fund Balance, June 30	4,663	163,311	579,620		80,155	2,749,139	2,451,910

TOWN OF JIRON
COMBINING BALANCE SHEET
FIDUCIARY AND AGENCY FUNDS

JUNE 30, 2003

	Miraflores Assessment Fund	Tiburon Peninsula Library JPA	Point Tiburon Community Facilities District	Cibrian Drive Reassessment District	Via Capistrano Assessment Fund	Hillhaven Assessment Fund	Totals (Memorandum Only)
							2003
Cash & Investments	\$ 12,366	\$ (1,927)	\$ 107,417	\$ 2,641	\$ 10,869	\$ 107,490	\$ 238,855
Cash & Investments held by Trustee							\$ 306,940
Due from other Governmental Agencies		36,860	631		76	218	37,784
Other Receivables		2,717					2,717
Interest Receivable	55		475	12	48	476	1,066
Receivable from RDA							1,710
Total Assets	\$ 12,421	\$ 37,650	\$ 108,523	\$ 2,652	\$ 10,993	\$ 108,183	\$ 280,421

LIABILITIES & FUND EQUITY

LIABILITIES

Accounts Payable	\$ -	\$ 39,893	\$ -	\$ -	\$ -	\$ -	\$ 39,893
Accrued Liabilities							-
Due to Library JPA		(3,378)					(3,378)
Amount held for Community Facilities & Assessment District Debt Service	12,421	1,135	108,523	2,652	10,993	108,183	243,906
Total Liabilities	\$ 12,421	\$ 37,650	\$ 108,523	\$ 2,652	\$ 10,993	\$ 108,183	\$ 280,421

TOWN OF TIBURON
COMBINING STATEMENT OF RECEIPTS AND EXPENDITURES
FIDUCIARY AND AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Miraflores Assessment Fund	Tiburon Peninsula Library JPA	Point Tiburon Community Facilities District	Cibrian Drive Reassessment District	Via Capistrano Assessment Fund	Hillhaven Assessment Fund	Totals (Memorandum Only)
							2003
RECEIPTS							
Taxes	\$ -	\$ 896,405	\$ 126,565	\$ -	\$ 15,183	\$ 43,651	\$ 1,081,804
Interest Income	300		4,268	64	140	2,151	6,923
Other Revenue		317					317
Total Receipts	300	896,722	130,833	64	15,323	45,802	1,089,044
EXPENDITURES							
Debt Service or Other		895,587	516,368	-	16,607	47,779	1,476,341
Total Expenditures	-	895,587	516,368	-	16,607	47,779	1,476,341
Excess (Deficiency) of Receipts over Expenditures	\$ 300	\$ 1,135	\$ (385,535)	\$ 64	\$ (1,284)	\$ (1,977)	\$ (387,297)
							\$ (118,443)

TOWN OF TIBURON

SUPPLEMENTAL SCHEDULES

UNAUDITED

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JUNE 30, 2003

TOWN OF TIBURON

SUPPLEMENTAL STATEMENT

LOCAL SECURED ASSESSED VALUE AND TAX INCREMENT REVENUES

FOR THE FISCAL YEARS ENDED JUNE 30, 1986 TO 2003

(UNAUDITED)

Fiscal Year Ended June 30	Secured Asset Valuation			Tax Increment Revenue		
	Undeveloped Southern Pacific Properties	Previously Developed Properties	Total Secured Assessed Valuation	General Fund	Housing Set-Aside Fund	Total Tax Incremental Revenue
1986	\$ 8,721,000	\$ 7,392,209	\$16,113,209	\$ 127,173	\$ 40,048	\$ 167,221
1987	87,357,996	10,477,288	97,835,284	581,234	158,917	740,151
1988	49,531,655	11,589,362	61,121,017	106,471	28,602	135,073
1989	61,371,382	10,432,891	71,804,273	430,415	138,629	569,044
1990	67,771,354	12,381,212	80,152,566	484,773	150,510	635,283
1991	69,584,036	10,634,764	80,218,800	508,528	156,305	664,833
1992	73,044,655	11,657,217	84,701,872	510,011	159,131	669,142
1993	75,789,362	11,890,350	87,679,712	532,216	165,528	697,744
1994	78,268,114	12,100,567	90,368,681	587,882	184,715	772,597
1995	75,551,699	12,102,330	87,654,029	504,547	157,837	662,384
1996	74,847,400	12,399,312	87,246,712	371,786	164,214	536,000
1997	75,864,334	12,442,582	88,306,916	502,500	156,735	659,235
1998	77,331,440	13,611,938	90,943,378	502,500	157,274	659,774
1999	79,185,629	12,179,350	91,364,979	502,500	170,667	673,167
2000	84,362,006	12,664,747	97,026,753	502,500	176,610	679,110
2001	90,309,004	13,427,402	103,736,406	502,500	180,000	682,500
2002	96,369,664	15,096,188	111,465,852	502,500	162,000	664,500
2003	101,159,089	22,033,025	123,192,114	168,629	53,325	221,954

Source: Marin County Assessor's Office

TOWN OF TIBURON
SUPPLEMENTAL STATEMENT OF
LOCAL SECURED ASSESSED VALUATION

FISCAL YEARS ENDED JUNE 30, 1982 TO 2003

(Unaudited)

Fiscal Year Ending June 30th	Land	Improvements	Personal Property & Equipment	Exemptions: Homeowner & Other	Total Taxable Secured Assessed Valuation	Percent Change vs. Prior Year
1982	\$ 156,938,545	\$ 231,105,914	\$ 301,962	\$ (14,813,807)	\$ 373,532,614	
1983	166,936,948	242,463,733	380,865	(14,523,444)	\$ 395,258,102	5.8%
1984	190,515,476	258,720,189	572,135	(14,860,295)	\$ 434,947,505	10.0%
1985	230,900,314	301,076,888	595,709	(16,348,654)	\$ 516,224,257	18.7%
1986	274,837,304	388,870,988	851,904	(16,985,388)	\$ 647,574,808	25.4%
1987	285,890,121	390,609,559	455,629	(17,310,156)	\$ 659,645,153	1.9%
1988	320,184,575	432,507,135	524,738	(17,925,195)	\$ 735,291,253	11.5%
1989	350,210,541	491,295,359	550,331	(18,687,835)	\$ 823,368,396	12.0%
1990	463,137,436	517,193,716	981,113	(19,451,034)	\$ 961,861,231	16.8%
1991	513,803,322	579,753,663	910,956	(20,015,563)	\$ 1,074,452,378	11.7%
1992	550,974,479	633,661,850	960,511	(20,382,515)	\$ 1,165,214,325	8.4%
1993	580,036,634	685,964,198	767,891	(20,038,790)	\$ 1,246,729,933	7.0%
1994	607,025,342	717,542,008	693,717	(21,702,817)	\$ 1,303,558,250	4.6%
1995	632,679,605	751,381,562	793,189	(22,003,337)	\$ 1,362,851,019	4.5%
1996	662,009,290	794,222,148	856,475	(23,131,360)	\$ 1,433,956,553	5.2%
1997	709,708,290	830,039,705	439,623	(32,804,037)	\$ 1,507,383,581	5.1%
1998	768,658,271	886,685,487	752,144	(34,489,632)	\$ 1,621,606,270	7.6%
1999	851,060,826	952,604,769	668,114	(36,381,893)	\$ 1,767,951,816	9.0%
2000	983,203,674	1,042,445,017	687,260	(37,926,443)	\$ 1,988,409,508	12.5%
2001	1,136,860,012	1,142,045,841	480,811	(36,993,288)	\$ 2,242,393,376	12.8%
2002	1,237,267,545	1,223,991,571	520,673	(38,234,059)	\$ 2,423,545,730	8.1%
2003	1,341,460,513	1,297,041,856	704,006	(39,277,601)	\$ 2,599,928,774	7.3%

TOWN OF TIBURON
SUPPLEMENTAL STATEMENT OF FUND BALANCES
ALL GOVERNMENT FUND TYPES - UNAUDITED

AT JUNE 30, 1997-2003

	2003	2002	2001	2000	1999	1998	1997
GENERAL FUND							
Unreserved, undesignated	\$ 2,413,854	\$ 2,462,319	\$ 2,337,693	\$ 1,606,341	\$ 1,829,384	\$ 1,624,530	\$ 1,656,599
Unreserved, designated for:							
Capital Equipment Replacement	230,381	212,392	268,242	330,149	204,181	282,138	242,314
Capital Outlay	396,616	341,616	191,616	312,913	(5,774)	80,847	37,779
Employee Compensated Leave	220,185	118,271	171,194	228,375	221,834	234,609	211,981
Employee Housing Assistance	400,000	400,000	300,000	-	-	-	-
Reserve Traffic System	400,000	300,000	-	-	-	-	-
New Police Facility	-	-	-	-	199,107	1,399,299	(166)
Retirement Surplus	233,699	42,767	-	-	-	-	-
Public Works Corporation Yard Imprv	486,367	186,367	100,000	50,000	-	-	-
Park Development	316,295	200,457	57,512	174,130	34,723	58,847	5,580
Self Insurance	(59,491)	288,399	345,149	328,259	177,103	176,511	146,511
Storm Damage	100,000	100,000	100,000	-	-	-	-
Streets & Drainage	516,650	343,078	378,647	437,545	133,097	183,468	206,495
Subtotal unreserved, designated	3,240,701	2,533,347	1,912,361	1,861,371	964,271	2,415,719	850,494
Reserved for Worker's Compensation Pool	89,296	(208,130)	(168,543)	(117,945)	(135,945)	(27,987)	(34,010)
Reserved for Advances and Loans	500,000	277,916	277,916	225,000	225,000	225,000	-
Total general fund	6,243,851	5,065,452	4,359,427	3,574,767	2,882,710	4,237,262	2,473,083
ALL OTHER GOVERNMENT FUNDS							
1972 Open Space Bonds	23,769	23,206	98,384	198,081	175,692	157,093	142,531
Cibrian Drive Assessment District	-	-	-	-	-	-	-
Cypress Hollow	72,333	68,004	54,711	38,218	26,771	-	-
COPS Technology Grant	16,603	-	-	-	-	-	-
Downtown Art Project	59,153	-	-	-	-	-	-
Flood Plain Restoration	-	-	-	30,923	49,456	46,793	165,715
Gilmartin Drive Assessment District	435,564	412,502	395,451	606,320	635,950	505,414	589,091
Heritage & Arts Project	4,663	976	1,807	2,701	1,288	1,090	842
Hillhaven Construction Reserve	-	-	-	-	7,725	57,367	136,921
Linda Vista Construction	-	-	-	-	5,837	5,508	5,204
Linda Vista Assessment District	23,117	21,489	21,258	20,182	13,293	12,345	10,472
Lyford Cove	74,720	-	-	-	-	-	-
Del Mar Valley	73,221	-	-	-	-	-	-
Low/Moderate Income Housing	1,281,900	1,199,092	1,232,128	1,134,028	975,982	925,628	966,667
Main St Improvement	-	-	-	-	92,996	-	-
Main St Assessment District	54,898	54,241	52,737	35,649	-	-	-
Marsh Restoration	92,705	90,445	87,387	89,320	118,248	112,015	105,815
Mountain View Assessment District	94,090	91,798	88,709	83,311	78,749	74,646	70,538
Open Space Acquisition	156,407	152,597	148,537	109,928	104,122	98,374	104,196
Police Asset Forfeiture	88	87	4,047	3,803	6,796	6,387	6,034
Police Supplemental Law Enforcement	54,570	132,991	94,684	56,516	50,941	31,045	20,329
Property Development Tax	24,350	43,641	43,647	13,685	10,719	33,508	44,693
Redevelopment - General Increment	262,437	158,078	66,772	51,292	36,118	26,924	25,802
Redevelopment - Housing Set-Aside	1,332,190	1,270,985	1,861,070	206,995	25,223	(99,656)	1,156,340
Stewart Drive Assessment Construction	-	(100,520)	1,886	37,164	-	-	-
Stewart Drive Assessment District	154,320	261,895	76,807	-	-	-	-
State Gas Tax	17,477	213,924	268,632	156,434	(3,702)	304,989	460,243
State Traffic Congestion Relief	47,598	24,217	63,380	-	-	-	-
State Prop. 116 Waterfront Access	25	(37,365)	250	-	-	-	-
Street Frontage Improvement	2,003	1,954	1,897	9,583	9,058	8,567	8,085
Tiburon Circulation System Improvement	163,311	146,140	134,141	56,130	38,807	22,533	14,099
Tiburon Planning Area Mitigation	217,624	177,403	169,017	111,235	94,770	82,695	75,914
Tiburon Boulevard Improvement	-	-	-	-	126,262	145,105	143,921
Tiburon Long-Range Planning	80,155	155,815	7,790	-	-	-	-
Tiburon Parks In-Lieu	75,310	51,058	119,615	-	-	-	-
Tiburon Playground Improvement	11,911	11,802	11,245	9,435	8,918	8,406	7,942
Tiburon Public Facilities Financing	211,610	185,936	165,997	156,832	145,792	134,568	126,362
Tiburon Street Impact	579,620	558,873	428,984	305,734	-	-	-
Total other government funds	5,697,743	5,371,264	5,700,970	3,523,499	2,835,811	2,701,344	4,387,756
Combined total fund balances	\$ 11,941,594	10,436,716	\$ 10,060,397	\$ 7,098,266	\$ 5,718,521	\$ 6,938,606	\$ 6,860,839

TOWN OF TIBURON
GENERAL FUND SUPPLEMENTAL STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY - UNAUDITED
FOR THE FISCAL YEARS ENDED
JUNE 30, 1997-2003

	2003	2002	2001	2000	1999	1998	1997
Revenues:							
Property taxes	\$ 2,086,273	\$ 1,820,774	\$ 1,647,815	\$ 1,459,300	\$ 1,221,715	\$ 1,075,678	\$ 1,051,471
Other taxes and revenue from other agencies	1,941,342	1,715,889	2,200,097	1,715,354	1,746,277	1,355,385	1,273,308
Franchise fees	335,589	335,317	301,448	273,326	260,727	253,650	243,470
Fines and forfeitures	209,582	181,434	144,080	114,684	147,557	97,764	87,689
Interest earnings	103,556	182,121	215,477	165,179	160,041	133,049	147,207
Licenses and permits	817,365	835,438	858,546	832,076	694,119	604,925	425,914
Charges for services	309,228	297,747	284,835	200,685	164,254	134,240	256,455
Other	385,542	309,014	159,317	135,907	118,056	1,559,827	310,810
Total revenues	6,188,477	5,677,734	5,811,615	4,896,511	4,512,746	5,214,518	3,796,324
Expenditures:							
Town council and commissions	27,337	35,488	29,043	15,569	17,667	15,568	20,395
Town attorney	114,532	155,989	167,651	134,422	105,317	103,017	211,643
Town manager & administration	959,506	829,105	847,329	648,118	665,083	660,606	621,395
Community development	790,276	722,457	670,628	567,280	475,362	407,492	458,049
Police services	1,805,389	1,872,031	1,853,355	1,630,683	1,614,380	1,446,174	1,471,839
Public works streets	539,751	500,763	611,107	452,075	400,148	344,720	342,675
Town engineer	232,882	240,232	145,159	129,183	48,767	57,451	45,456
Public works parks	279,359	263,601	242,416	204,976	196,225	153,755	163,010
Subtotal expenditures	4,749,032	4,619,666	4,566,688	3,782,306	3,522,949	3,188,783	3,334,462
Subtotal:							
Excess (deficiency) of revenues over subtotal expenditures	1,439,445	1,058,068	1,114,338	1,114,338	989,797	2,025,735	461,862
Capital projects expenditures	101,420	166,704	519,615	341,304	1,970,983	283,778	1,703,032
Total expenditures	4,850,452	4,786,370	5,086,303	4,123,610	5,493,932	3,472,561	5,037,494
Total:							
Excess (deficiency) of revenues over expenditures	1,338,025	891,364	725,312	772,901	(981,186)	1,741,957	(1,241,170)
Other Financing Sources (Uses):							
Operating transfers (net)	(109,161)	(217,001)	(38,946)		(266,000)	142,235	-
Other sources (uses)			132,000	(100,000)			(1,675)
Risk position, workers comp liability	(50,464)	31,663	(33,708)	19,156	(107,366)	6,023	(70,269)
State PERS surplus assets							123,787
Total other financing sources (uses)	(159,625)	(185,338)	59,346	(80,844)	(373,366)	148,258	51,843
Excess (deficiency) of total revenues and other sources over expenditures and other uses	1,178,400	706,026	784,658	692,057	(1,354,552)	1,890,215	(1,189,327)
Fund balance, July 1st	5,065,451	4,359,425	3,574,767	2,882,710	4,237,262	2,347,047	3,536,374
Fund balance, June 30th	\$ 6,243,851	\$ 5,065,451	\$ 4,359,425	\$ 3,574,767	\$ 2,882,710	\$ 4,237,262	\$ 2,347,047

TOWN OF TIBURON
SUPPLEMENTAL STATEMENT - SUMMARY STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

	<u>2003 Budget</u>	<u>2003 Actual</u>	<u>Variance</u>
REVENUE:			
Property Taxes	\$ 1,721,000	\$ 2,086,273	\$ 365,273
Other Taxes	1,092,000	1,371,933	279,933
Franchises	335,000	335,589	589
Fines & Forfeitures	190,000	209,582	19,582
Investment Earnings	133,000	103,556	(29,444)
Intergovernmental/Agency	494,700	569,409	74,709
License & Permits	800,000	817,365	17,365
Charges for Service	313,800	309,228	(4,572)
Other Revenues	182,000	385,542	203,542
Fund Transfers	1,025,000	1,025,000	0
TOTAL REVENUES	<u>6,286,500</u>	<u>7,213,477</u>	<u>926,977</u>
EXPENDITURES:			
Town Attorney	155,158	114,532	40,626
Town Administration	1,007,644	977,720	29,924
Admin. Building	68,100	32,250	35,850
Planing	377,638	379,881	(2,243)
Building	405,244	410,395	(5,151)
Police Services	1,892,652	1,764,588	128,064
Police Building	34,600	40,801	(6,201)
Public Works Streets	435,374	448,684	(13,310)
Town Engineer	263,988	232,882	31,106
Street/Signals	44,900	36,208	8,692
Public Works Parks	300,532	279,359	21,173
Public Works Corp Yard	50,700	54,859	(4,159)
Town Council, Boards & Commissions	29,200	27,337	1,863
Capital Projects	404,700	101,420	303,280
Fund Transfer/Adjustments	1,134,161	1,134,161	0
TOTAL EXPENDITURES	<u>6,604,591</u>	<u>6,035,077</u>	<u>569,514</u>
REVENUES NET OF EXPENDITURES	<u>\$ (318,091)</u>	<u>\$ 1,178,400</u>	<u>\$ 1,496,491</u>

September 19, 2003

The Honorable Mayor and Members of the Town Council
of the Town of Tiburon

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the combined financial statements of the Town of Tiburon (the "Town") as of and for the fiscal year ended June 30, 2003, and have issued our report thereon dated September 19, 2003. We conducted our audit in accordance with generally accepted auditing standards as accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Town are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving internal control over financial reporting that we have reported to management of the Town in a separate letter dated September 19, 2003.

This report is intended solely for the information and use of the audit committee, management, others within the organization and Town Council and is not intended to be and should not be used by anyone other than these specified parties.

Odenberg Ullakko Muranishi & Co LLP