

TOWN OF TIBURON
California

Annual Financial Report
June 30, 2009

Town Council

Alice Fredericks
Miles Berger
Tom Gram
Richard Collins
Jeff Slavitz

Mayor
Vice Mayor
Member
Member
Member

Appointed Officials

Town Manager
Margaret Curran

Town Treasurer
William Osher

Town Attorney
Ann R. Danforth

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825 / 916.979.9079

INDEPENDENT AUDITOR'S REPORT

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

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tiburon, as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 11, and 33 through 34, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marcello & Company

Certified Public Accountants
Sacramento, California
September 18, 2009

Town of Tiburon Management's Discussion and Analysis

As management of the Town of Tiburon, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2009 (FY 2009). We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The Town's Government-wide Statement of Net Assets appearing as the first report of the Basic Financial Statements and summarized in this Management Discussion and Analysis, shows that the Town's total assets exceeded its liabilities by \$53.1 million (net assets). Of this amount, \$17.3 million may be used to meet the Town's ongoing obligations to the citizens and creditors of the Town.
- The Town's total net assets decreased by \$7,218 from FY 2008. The table on Page 5 of this Management Discussion and Analysis provides year-over-year detail and explanation of the factors attributing to this reduction.
- The Town's Government-wide cash and investments totaled \$16.7 million, representing 30 percent of total assets. This represents a \$1.8 million increase over FY 2008.
- The Town's Governmental Fund revenues were approximately \$9.65 million (general revenues of \$8.19 million and program revenues of \$1.46 million) compared with total expenses of \$7.96 million, resulting in an increase in total fund balance of \$1.69 million at fiscal year end, June 30, 2009. A year-over-year comparison is presented on page 10 of the MD&A.
- The Town's Government-wide Net Capital Assets totaled \$35.8 million at June 30, 2009, representing 65.5 percent of the Town's total assets. This represents a decrease of \$1.6 million from FY 2007-08. This decrease is due to depreciation of the Town's capital assets exceeding acquisitions and/or recordable maintenance and improvements of those assets.
- The Town's long-term debt obligation, which consists solely of compensated absences, totaled \$468,600 as of June 30, 2009, representing an increase of \$63,000 from the prior year.
- The fund balance for the General Fund and its Reserves at fiscal year end was \$10,899,300. This represents an increase of \$741,958 over the previous fiscal year. Of this balance, \$4,394,243 was unreserved and undesignated. The remaining \$6,505,057 was in designated reserves, some of which are as follows:
 - \$1,261,500 - Streets & Drainage Reserve
 - \$1,461,000 - New Public Works Corporation Yard Reserve
 - \$786,000 - Town Infrastructure and Facility Reserve
 - \$539,800 - Park Development Reserve

Town of Tiburon Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic statements consist of three components: 1) Government-wide financial statements, 2) Fund Financial statements, and 3) Notes to the basic 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: 1) Statement of Net Assets and 2) Statement of Activities. These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. They provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

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

The Statement of Activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets 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 revenues and expenses reported in this statement may result in cash flows only in future fiscal periods, such as revenues related to uncollected taxes and interest expense incurred but not 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 entities are divided into three categories: 1) Governmental Funds, 2) Proprietary Funds, and 3) Fiduciary Funds.

Governmental Funds

Government 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 readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the Government Funds statement provides a detailed short-term view that helps you 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.

Town of Tiburon Management's Discussion and Analysis

Proprietary Funds: Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Currently the Town does not have proprietary funds.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the municipality, such as assessment districts. Fiduciary Funds are not reflected in the government-wide finance 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 to 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 schedules and PERS (defined benefit pension plan) schedule of funding progress.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town has presented 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 Assets

Net Assets serve over time as a useful indicator of a government's financial position. In the case of the Town of Tiburon, assets exceeded liabilities by \$53,078,592.

By far the largest portion of the Town of Tiburon's net assets (67.4 percent) reflects its investment in capital assets (e.g., land, buildings, roadways, drainage systems, and equipment). The Town of Tiburon uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

A comparison of Government-wide Net Assets for FY 2008 and FY 2009 is summarized below and an analysis follows:

Total Governmental Activities				
	FY 2008	FY 2009	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Assets				
Cash and Investments	\$14,922,850	\$16,734,388	\$ 1,811,538	12.1%
Capital Assets, Net	37,388,144	35,755,000	(1,633,144)	(4.4%)
Other Assets	2,055,733	2,106,882	51,149	2.5%
Total Assets	\$54,366,727	\$54,596,270	\$ 229,543	0.4%
Liabilities				
Compensated Absences	405,032	468,628	\$ 63,596	15.7%
Other liabilities	875,885	1,049,050	173,165	19.8%
Total Liabilities	\$ 1,280,917	\$ 1,517,678	\$ 236,761	18.5%
Net Assets				
Invested in Capital Assets	\$37,388,144	\$35,755,000	\$ (1,633,144)	(4.4%)
Restricted	89,296		(89,296)	(100%)
Unrestricted	15,608,370	17,323,592	1,715,222	11.0%
Total Net Assets	\$ 53,085,810	\$ 53,078,592	\$ (7,218)	(0.4%)

Government-wide Net Assets decreased by \$7,218. This decrease is considered immaterial and the Town continues to remain financially healthy.

Net assets invested in capital assets (e.g., land, buildings, equipment and infrastructure) of \$35,755,000 represent the cost of these assets less any accumulated depreciation and outstanding debt used to acquire the assets. Capital Assets decrease every year equal to depreciation expenses and write offs of operational equipment. As of June 30, 2009, the Town had no outstanding debt used to acquire or maintain the assets.

The remaining balance of unrestricted net assets of \$17,323,592 may be used to finance day-to-day operations with constraints established by debt covenant, enabling legislation, or other legal requirements. This represents an increase of \$1,715,222 over FY 2008.

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

Changes in Net Assets

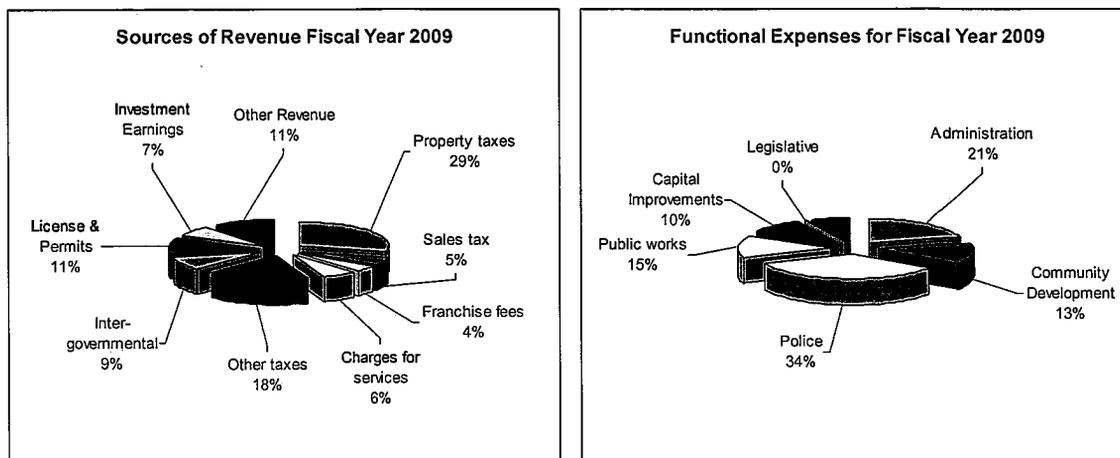
The Town's FY 2009 total revenues of approximately \$9.6 million were \$890,000 less than the Town recognized in FY 2008. Of this decrease, approximately 73% (\$650,000) was in one-time revenues received in FY 2008 from Proposition 1B Funding (\$400,000) and an SB 418 ERAF payment (\$249,000).

The total cost of all programs and services in FY 2009 was approximately \$9.7 million. This was \$778,000 less than FY 2008 and included a wide range of services such as Police, Public Works, Community Development, Administration and Capital Improvements.

	Governmental Activities		Percent
	FY 2008	FY 2009	Increase (Decrease)
Revenues:			
Program revenues:	\$		
Charges for Services	\$ 2,285,711	\$ 2,826,018	23.6%
General Revenues:			
Taxes	5,096,090	4,828,308	-5.3%
Intergovernmental	1,339,296	820,176	-38.8%
Investment Earnings	620,530	354,052	-42.9%
Franchise Fees	442,170	468,852	6.0%
Other	752,423	350,804	-53.4%
Total Revenues	\$ 10,536,220	\$ 9,648,210	-8.4%
Expenses:			
General Government	3,668,719	4,569,246	24.5%
Public Safety	3,006,962	2,909,982	-3.2%
Public Works	1,504,218	1,419,943	-5.6%
Capital Improvement Projects	2,253,481	756,257	-66.4%
Debt Service	0	0	
Total Expenses	10,433,380	9,655,428	-7.5%
Change in Net Assets	102,840	(7,218)	

Town of Tiburon Management's Discussion and Analysis

The sources of the Town's major type of revenues and the areas where such resources are used are shown below in summary graphic form:



General Fund Operations (Fund 101)

During FY 2009, the Town received General Fund operating revenues of \$8,014,088 as outlined on page 33 of this audit report, which represents a decrease of \$92,025 over the previous fiscal year. The two-year comparison chart below illustrates the revenue categories that collectively attributed to the decrease.

Two Year Comparison of General Fund Revenues

	FY 2008	FY 2009	Increase (Decrease)	%
Property Taxes	\$3,467,826	\$3,391,687	(\$76,139)	-2.2%
Other Taxes	1,331,471	1,157,840	(\$173,631)	-13.0%
Franchises	442,170	468,852	\$26,682	6.0%
Fines & Penalties	199,896	167,989	(\$31,907)	-16.0%
Investment Earnings	404,773	233,209	(\$171,564)	-42.4%
Intergovernmental	716,752	781,856	\$65,104	9.1%
Licenses & Permits	1,140,401	1,240,398	\$99,997	8.8%
Charges for Services	367,857	433,671	\$65,814	17.9%
Other Revenues	88,967	138,586	\$49,619	55.8%
Total	\$8,106,113	\$8,014,088	(\$92,025)	-1.1%

It is important to note that if the one-time SB 418 ERAF payment was not accounted for in FY 2008, property taxes actually increased approximately \$173,000 in FY 2009.

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

The impacts of the economic downturn affected the Town in the Other Taxes category with Transient Occupancy Tax (Hotel Tax) decreasing \$90,745 and Property Transfer Tax dropping \$62,601 in FY 2009. Investment earnings decreased by nearly 50% due to declining return on investments. The Town invests the majority of its idle funds in the Local Agency Investment Fund. At the beginning of FY 2009 rates were 2.8% and by the end of the fiscal year rates were 1.37%.

General Fund operating expenditures were \$6,822,339, in FY 2009, which was an increase of \$90,183 over the previous fiscal year. This increase (1.3%) is due primarily to salary and benefit-related increases.

Two-Year Comparison of General Fund Expenditures

	FY2008	FY 2009	Increase (Decrease)	%
General Administration	\$1,664,587	\$1,514,382	(\$150,205)	-9.0%
Community Development	1,124,307	986,329	(\$137,978)	-12.3%
Public Safety	2,738,320	2,686,470	(\$51,850)	-1.9%
Public Works	1,319,271	1,116,413	(\$202,858)	-15.4%
Town Council/Commissions	35,864	30,189	(\$5,675)	-15.8%
Non-Departmental	0	529,702	\$529,702	
Capital Improvement Projects	7,520	(41,146)	(\$48,666)	-647.2%
Total	\$6,889,869	\$6,822,339	(\$67,530)	-1.0%
Excess Revenues over Expenditures	\$1,270,244	\$1,191,749	\$(78,495)	-6.2%

During FY 2009, the Town continued to provide day-to-day services funded by the General Fund at a significant operating surplus.

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

Analysis of Governmental Funds

The following schedule presents a two -year comparison of the Town's Governmental Funds revenues and expenditures for FY 2008 and 2009 and the amount of increase or decrease.

	FY 2008	FY 2009	Increase (Decrease)
Revenues:			
Taxes - Property	\$3,508,658	\$3,391,687	(\$116,971)
Other Taxes	1,587,432	1,436,621	(\$150,811)
Franchise Fees	442,170	468,852	\$26,682
Fines and Forfeitures	199,896	167,989	(\$31,907)
Interest Earnings	620,530	354,052	(\$266,478)
Intergovernmental	1,339,296	986,351	(\$352,945)
License and Permits	1,140,401	1,240,398	\$99,997
Other Revenue	552,527	182,815	(\$369,712)
Charges for Services	1,145,310	1,419,445	\$274,135
Total Revenues	\$10,536,220	\$9,648,210	(\$888,010)
Expenditures:			
Town Administration	1,762,907	1,684,629	(\$78,278)
Community Development	1,201,891	1,052,171	(\$149,720)
Public Safety	2,917,966	2,740,308	(\$177,658)
Public Works	1,370,724	1,165,432	(\$205,292)
Legislative	36,446	30,189	(\$6,257)
Non-Departmental		529,702	\$529,702
Capital Projects	2,253,481	756,257	(\$1,497,224)
Total Expenses	\$9,543,415	\$7,958,688	(\$1,584,727)
Excess of Revenues Over Expenditures	\$ 992,805	\$ 1,689,522	\$696,717

Town of Tiburon Management's Discussion and Analysis

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Once again, the Town of Tiburon once again is in the enviable position of ending this audit year with a general fund operating surplus of approximately \$1.1 million. The Town continues to have a healthy long-term financial position. The impact of the national economic slow-down began to have its impact on Town revenues in November 2008, nearly a full year after the recession was declared. The entire effect of the recession will be felt during FY 2010. Council has made the fiscally prudent decision to significantly reduce budgeted revenues in FY 2010 and has adopted an operating budget with a projected \$15,000 surplus. The State of California suspended Proposition 1A in FY 2010, thereby borrowing 8%, or approximately \$298,000, of the Town's property tax revenues. The Town Council adopted legislation to securitize the Proposition 1A funds, therefore the Town will be made whole for property taxes in FY 2009-10. If the economic recovery is slow, as most economists project, the next major financial issue on the Town's horizon is the impact of increased pension costs in FY 2011-12 due to CalPERS investment losses of approximately 25% in FY 2009. It is anticipated that employer costs for Public Safety employees will increase from 19.5% in FY 2010 to 27.4% in FY 2015. During that same time period Miscellaneous employee rates will increase from 10.4% to 14.9%. This translates into a cumulative financial impact of approximately \$270,000 in FY 2015. These increased retirement costs, coupled with the potential for sluggish revenues, will be closely monitored by Staff.

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.

As prepared by the Town's Management

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF TIBURON
Government-wide Financial Statements
Statement of Net Assets
June 30, 2009

	Total Governmental Activities
ASSETS	
Cash and investments	\$ 16,734,388
Interest receivable	52,939
Other receivables	298,779
Deposit	86,826
Notes receivable	1,668,338
Capital assets, net	<u>35,755,000</u>
 Total Assets	 <u>54,596,270</u>
 LIABILITIES	
Accounts payable	503,927
Accrued liabilities	337,242
Deposits	207,881
Long term liabilities:	
Compensated absences	<u>468,628</u>
 Total Liabilities	 <u>1,517,678</u>
 NET ASSETS	
Invested in capital assets	35,755,000
Unrestricted	<u>17,323,592</u>
 Total Net Assets	 <u><u>\$ 53,078,592</u></u>

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, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
Governmental Activities:				
General government	\$ 4,569,246	\$1,829,855	\$ -	\$ (2,739,391)
Public safety	2,909,982	53,976	100,000	(2,756,006)
Public works	1,419,943	16,359	-	(1,403,584)
Capital improvements	<u>756,257</u>	<u>759,653</u>	<u>66,175</u>	<u>69,571</u>
Totals	<u>\$ 9,655,428</u>	<u>\$2,659,843</u>	<u>\$ 166,175</u>	<u>(6,829,410)</u>

General Revenues	
Property taxes	3,391,687
Sales tax	609,175
Measure A sales tax	87,546
Transit occupancy tax	458,095
Gasoline taxes	191,235
Property transfer taxes	90,570
Franchise fees	468,852
Fines and forfeitures	167,989
Investment earnings	354,052
Intergovernmental	820,176
Other revenue	<u>182,815</u>
Total General Revenues	<u>6,822,192</u>

Change in Net Assets	(7,218)
Net Assets - beginning	<u>53,085,810</u>
Net Assets - end of year	<u>\$ 53,078,592</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

TOWN OF TIBURON
Balance Sheet
Governmental Funds
June 30, 2009

	<u>Other Governmental Funds</u>			Total Governmental Funds
	General Fund	Special Revenue	Capital Projects	
ASSETS				
Cash and investments	\$ 10,512,174	\$ 2,045,801	\$ 4,176,413	\$ 16,734,388
Interest receivable	35,026	7,845	10,068	52,939
Other receivables	214,891	45,215	38,673	298,779
Deposit	86,826	-	-	86,826
Notes receivable	800,000	813,411	54,927	1,668,338
Total Assets	<u>\$ 11,648,917</u>	<u>\$ 2,912,272</u>	<u>\$ 4,280,081</u>	<u>\$ 18,841,270</u>
LIABILITIES				
Accounts payable	\$ 212,644	\$ 4,796	\$ 286,487	\$ 503,927
Accrued liabilities	337,242	-	-	337,242
Deposits	199,731	-	8,150	207,881
Total Liabilities	<u>749,617</u>	<u>4,796</u>	<u>294,637</u>	<u>1,049,050</u>
FUND BALANCES				
Reserved for:				
Long term receivable	800,000	813,411	54,927	1,668,338
Unreserved, reported in:	-	-	-	-
General fund	10,099,300	-	-	10,099,300
Special revenue funds	-	2,094,065	-	2,094,065
Capital projects funds	-	-	3,930,517	3,930,517
Total Fund Balances	<u>10,899,300</u>	<u>2,907,476</u>	<u>3,985,444</u>	<u>17,792,220</u>
Total Liabilities and Fund Balances	<u>\$ 11,648,917</u>	<u>\$ 2,912,272</u>	<u>\$ 4,280,081</u>	<u>\$ 18,841,270</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 Assets
June 30, 2009

Fund Balances - Total Governmental Funds (page 14) \$ 17,792,220

Amounts reported for governmental activities in the statement of net assets are different because:

Capital Assets

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Governmental capital assets	\$ 58,313,299	
Less: accumulated depreciation	<u>(22,558,299)</u>	35,755,000

Long-term Debt Obligations

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet:

Compensated absences		<u>(468,628)</u>
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Net Assets of Governmental Activities (page 12) \$ 53,078,592

TOWN OF TIBURON
Statement of Revenues, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General Fund	Other Governmental Funds		Total Governmental Funds
		Special Revenue	Capital Projects	
REVENUES				
Property taxes	\$ 3,391,687	\$ -	\$ -	\$ 3,391,687
Other taxes	1,157,840	278,781	-	1,436,621
Franchise fees	468,852	-	-	468,852
Fines and forfeitures	167,989	-	-	167,989
Investment earnings	233,209	45,498	75,345	354,052
Intergovernmental and agency	848,031	138,320	-	986,351
Licenses and permits	1,240,398	-	-	1,240,398
Charges for services	530,116	-	889,329	1,419,445
Other revenue	149,785	-	33,030	182,815
Total Revenues	8,187,907	462,599	997,704	9,648,210
EXPENDITURES				
Current -				
Town administration	1,643,918	-	40,711	1,684,629
Community development	1,013,075	2,000	37,096	1,052,171
Public safety	2,740,265	43	-	2,740,308
Public works	1,145,451	19,981	-	1,165,432
Legislative boards/commissions	30,189	-	-	30,189
Non-departmental	529,702	-	-	529,702
Capital improvement projects	418,349	171,990	165,918	756,257
Total Expenditures	7,520,949	194,014	243,725	7,958,688
Excess (Deficiency) of Revenues Over (Under) Expenditures	666,958	268,585	753,979	1,689,522
OTHER FINANCING SOURCES				
Operating transfers in	252,600	-	-	252,600
Operating transfers (out)	(177,600)	(75,000)	-	(252,600)
Total Other Financing Sources	75,000	(75,000)	-	-
Change in Fund Balances	741,958	193,585	753,979	1,689,522
Fund Balances - beginning	10,157,342	2,713,891	3,231,465	16,102,698
Fund Balances - end of year	<u>\$ 10,899,300</u>	<u>\$ 2,907,476</u>	<u>\$ 3,985,444</u>	<u>\$ 17,792,220</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Reconciliation of the Statement of Revenues, Expenditures, and Change in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2009

Net Change in Fund Balances -
Total Governmental Funds (page 16) \$ 1,689,522

Amounts reported for governmental activities in the statement of net assets are difference because:

Capital Assets

Capital outlay is an expenditure in the government funds financial statements, but the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay	- 394,612
Depreciation expense and write downs	<u>(2,027,756)</u>

1,633,804

Long Term Debt

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. The program expenses are adjusted for the current year net change.

(63,596)

Change in Net Assets of Governmental Activities (page 13) \$ (7,218)

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	Tiburon Public Facilities Financing Authority	Del Mar Valley A/D	Stewart Drive A/D	Lyford Cove A/D	Other Assessment Districts	Peninsula Library JPA	Total Agency Funds
ASSETS							
Cash and investments	\$ 74,096	\$ 4,458,412	\$ 68,200	\$ 1,303,323	\$ 202,816	\$ 5,263	\$ 6,112,110
Cash held by trustee	194,736	-	104,678	-	-	-	299,414
Receivables:							
Special assessments	-	-	1,235,000	-	302,000	-	1,537,000
Other receivables	765	7,158	921	7,140	1,569	2,486	20,039
Total Assets	\$ 269,597	\$ 4,465,570	\$ 1,408,799	\$ 1,310,463	\$ 506,385	\$ 7,749	\$ 7,968,563
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 11,910	\$ -	\$ 7,749	\$ 19,659
Special assessment commitments	-	-	1,235,000	-	302,000	-	1,537,000
Held in trust	269,597	4,465,570	173,799	1,298,553	204,385	-	6,411,904
Total Liabilities	\$ 269,597	\$ 4,465,570	\$ 1,408,799	\$ 1,310,463	\$ 506,385	\$ 7,749	\$ 7,968,563

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

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 - Notes Receivable
- Note 6 - Capital Assets
- Note 7 - Long Term Obligations
- Note 8 - Special Assessment District Bond Obligations
- Note 9 - Interfund Transfers
- Note 10 - Defined Benefit Pension Plan
- Note 11 - Postemployment Benefits Other Than Pensions
- Note 12 - Commitments and Contingencies
- Note 13 - Risk Management
- Note 14 - New Pronouncements

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

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 units. The component units are discussed in the following paragraphs and are included in the Town's reporting entity because the Town is financially accountable for their operations.

The Tiburon Redevelopment Agency (the Agency) was established by the Town as a separate legal entity in accordance with state law. The purpose of the Agency is to encourage new investment and reinvestment within legally designated redevelopment areas in partnership with property owners.

The Tiburon Public Facilities Financing Authority (the Authority) was established in 1990 pursuant to a Joint powers agreement between the Town and the Agency to assist in the clearance and rehabilitation of areas determined to be in a declining condition in the Town.

Although the component units are legally separate from the Town, they are reported on a blended basis as part of the primary government because their boards consist of members of the Town Council. The component unit financial statement of the Agency may be obtained from the Town.

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 Bay Cities Joint Powers Insurance Authority ("BCJPIA") and the Association of Bay Area Governments ("ABAG") 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 below:

A. Basis of Presentation

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 is effective in three phases based on the public institution's total annual revenues in the fiscal year ending after June 15, 1999.

The Town adopted the provisions of this statement along with GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus (an amendment to GASB Statements No. 21 and No. 34)*, as of July 1, 2003. In June 2001, GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*, to reevaluate certain existing disclosure requirements in the context of reporting model statement No. 34. The Town adopted the provisions of Statement No. 38 as of July 1, 2003.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 2 - Summary of Significant Accounting Policies

The Financial Statement presentation, required by GASB 34, 37, and No. 38 provides a comprehensive, entity-wide perspective of the Town's assets, liabilities, and replaces the fund-group perspective previously required. The Town now follows the "primary government's governmental activities" reporting requirements of GASB No. 34 that provides a comprehensive one-line look at the Town's financial activities.

B. Government-wide and Fund Financial Statements

The government-wide financial statement reports 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 revenues, 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (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 taxes, and other items not properly included among program revenues, are reported instead as general revenues.

The accounts of the Town are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In the fund financial statements in this report, the various funds are grouped into six generic funds within three broad fund types. They are as follows:

Governmental Funds

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.

Fund Accounting

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 revenues 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.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 2 - Summary of Significant Accounting Policies

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

Trust Funds are used to account for assets held by the government in a trustee capacity.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues 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. Revenues are 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 revenues 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. Revenues are recognized when they become 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. Revenues from licenses, permits, fines and forfeits are recorded as received. Expenditures are recorded when the related fund liability is incurred. Fiduciary Fund revenues 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 (net current assets) is considered a measure of "available spendable resources." Governmental Fund operating statements present increases (revenues 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 balance sheets. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

D. Cash and Investments

Cash and investments held in the Town'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.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 2 - Summary of Significant Accounting Policies

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

F. Receivables and Payables

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of 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 assets. 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 revenues are recorded as receivables and revenues 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). Advances and loans to other funds are offset by a fund balance reserve in applicable Governmental Funds to indicate they are not available for appropriation, and are not expendable available financial resources.

G. 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.

H. Property Taxes

Property taxes - Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transaction taxes on real property. Local government may impose special taxes (except on real property) with the approval of 66.67% of the qualified electors.

All property taxes are collected and allocated by the County of Marin to the various taxing entities. Property taxes are determined annually as of January 1 and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 2 - Summary of Significant Accounting Policies

I. Capital Assets

Capital assets are reported in the government-wide statement of net assets. 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 forty years.

J. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. In accordance with GASB Statement No. 16, the liability for accumulated leave includes all salary-related payments that are directly and incrementally connected with leave payments to employees. In governmental fund types, the cost of vacation and sick leave benefits is recognized when payments are made to employees. Upon termination, 100% of vacation leave is paid.

K. Long Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the applicable statement of net assets. 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. The Town did not have any long term obligations during the year.

L. Net Assets

The Town's net assets are classified as follows:

- Invested in capital assets, net of related debt - This represents the Town's total investment in capital assets reduced by any outstanding debt used to acquire these assets.
- Restricted net assets - Restricted net assets include resources that the Town is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted net assets - Unrestricted net assets represent resources derived from sources without spending restrictions. These resources are used for transactions relating the general operations of the Town, and may be used at the discretion of those charged with governance to meet current expenses or obligations for any purpose.

M. Major Funds

In accordance with GASB Stmt. No. 34, paragraph 76, the Town has elected to report its combined special revenue and capital projects funds as major funds because they believe these combined funds are particularly important to financial statement users. The combining balance sheets, and revenue and expenditure statements, are included in the *Other Supplementary Information* section of this report.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

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 receives 35% of its total 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 budget crisis could have serious consequences to the Town's budget.

Note 4 - Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 16,734,388
Statement of Fiduciary Net Assets:	
Cash and investments	6,112,110
Cash investments with fiscal agent	<u>299,414</u>
Total cash and investments	<u>\$ 23,145,912</u>

Cash and investments as of June 30, 2009 are comprised of the following:

Deposits with financial institutions:	
• Money market accounts	\$ 250,000
• Checking accounts	529,106
Investment in Local Agency Investment Fund (LAIF)	17,555,013
Investment in US Treasuries	299,414
Investment in Certificates of Deposit (CDARS)	<u>4,512,379</u>
Total cash and investments	<u>\$ 23,145,912</u>

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 4 - Cash and Investments

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. Annual reports of the Local Agency Investment Fund may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

Disclosures Relating to Interest Rate Risk

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

		<u>Maturity / Yield</u>
State investment pool (LAIF)	\$ 17,555,013	7.8 months average maturity, 1.5% yield
Certificates of Deposit*	4,512,379	13 days. 0.60% yield
US Treasuries	299,414	due on demand, 0.14% yield
Money Market	250,000	due on demand, 1.17% yield

* invested in 21 separate banks, all with deposits under \$250,000 each.

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 U.S. GSEs, and no limit for U.S. Treasury Securities, and LAIF. There are no investments in any single issuer that represent 5% or more of total Town investments. Nearly 77% of the Town's investments at 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. At June 30, 2009 the Town had \$405,517 that was not covered by depository insurance but collateralized by either marketable securities, first trust deed mortgage notes, or a combination of both.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 4 - Cash and Investments

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

Note 5 - Notes Receivable

Notes receivable consist of the following as of June 30, 2009:

Developer (Cecilia Place Senior Housing)	\$ 663,411
Current Employee	800,000
Former Employee	39,834
Marin Housing Authority	150,000
Marin County Housing Development Financing Authority	15,093
	\$ 1,668,338

Developer (Cecilia Place Senior Housing)

At June 30, 2009 the Tiburon Redevelopment Agency (the Agency), a component unit of the Town of Tiburon, owned \$663,411 in notes receivable due from Cecilia Place Homes LP, a California limited partnership (the "Developer"). The two notes are secured by a Deed of Trust, bearing annual interest as defined below, and are due on March 31, 2027, as follows:

Note Receivable from Developer:

note one - bears interest at 3% per annum	\$ 439,149
note two - interest free	224,262
	\$ 663,411

In 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 pre-development 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%. This amount is recorded as a note receivable in the Tiburon Redevelopment Agency fund.

Current Employee

In conjunction with the October 2006 employment agreement between the Town of Tiburon and the Town Manager, the Town provided a second mortgage secured by a deed of trust on the Manager's primary residence in the amount of \$800,000. The loan is payable in monthly installments of interest only, and bears interest at the LAIF rate, up to a maximum annual rate of 5.5%. The loan shall be fully due and payable when (1) the property for which the loan is made is no longer the employee's primary residence, or (2) within six months of the employee's termination of employment. At June 30, 2009 the principal outstanding on the loan was \$800,000. This amount is recorded as a note receivable in the Town's general fund.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 5 - Notes Receivable

Former Employee

In June 1987, the Town loaned \$89,500 to the then Assistant Town Clerk for the purpose of assisting with the purchase of a *low-to-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, 2009, the principal outstanding on the note was \$39,834. This amount is recorded as a note receivable in the Town's Low and Moderate Income Housing Capital Projects fund.

Marin Housing Authority

In 2009 the Town advanced the Authority \$150,000 for the purchase of a "below market rate" condominium within the Town limits. The loan is secured by a deed of trust, with interest accruing at a rate equal to that of the Local Agency Investment Fund rate. The note has a due on sale clause, with repayment expected in a few years. This amount is recorded as a note receivable in the Tiburon Redevelopment Agency fund.

Marin County Housing Development Financing Corporation

Due from the Marin County Housing Development Financing Corporation secured by a deed of trust. At June 30, 2009 the principal balance outstanding on the note was \$15,093, with interest accruing at a rate equal to that of the Local Agency Investment Fund rate. This amount is recorded as a note receivable in the Low and Moderate Income Housing Capital Projects fund.

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</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Non-depreciable Assets:				
Land	\$ 4,087,952	\$ -	\$ -	\$ 4,087,952
Depreciable Assets:				
Buildings and improvements	5,346,720	-	-	5,346,720
Furniture and equipment	2,759,761	66,107	(241,373)	2,584,495
Infrastructure	46,645,104	328,484	(679,456)	46,294,132
	<u>58,839,537</u>	<u>394,591</u>	<u>(920,829)</u>	<u>58,313,299</u>
Accumulated depreciation	(21,451,393)	-	(1,106,906)	(22,558,299)
Capital Assets, net	<u>\$ 37,388,144</u>	<u>\$ 394,591</u>	<u>\$ (2,027,735)</u>	<u>\$ 35,755,000</u>

On the statement of activities, depreciation expense and related adjustments was charged to the following functions: general government \$1,520,817, public safety department \$202,776 and public works department \$304,163.

Note 7 - Long Term Obligations

Changes in long term obligations for the year ended June 30, 2009 were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Compensated Absences	<u>\$ 405,032</u>	<u>\$ 63,596</u>	<u>\$ -</u>	<u>\$ 468,628</u>

Note 8 - Special Assessment District Bond Obligations

Since the Town is not obligated in any manner for the special assessment district bonds, the debt is not recorded in these financial statements. The Town acts as an agent for the property owners in collecting assessments and bond proceeds, and forwarding such funds to the respective bondholders and construction vendors. This activity is reported in the Agency Funds.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 9 - Interfund Transfers

Operating Interfund transfers comprise the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 75,000	
Police Supplemental Law Enforcement Fund		\$ 75,000

Note 10 - Defined Benefit Pension Plan

Plan Description

The Town of Tiburon contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Town ordinance. Copies of PERS annual financial report may be obtained from their Executive Office, 400 "P" Street, Sacramento, California 95814.

Funding Status and Progress

Non-safety participants are required to contribute 7% of their annual covered salary, while public safety employees are required to contribute 9% of their annual covered salary. 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 contribution requirements of plan members and the Town are established and may be amended by PERS.

Annual Pension Cost

The Town's annual pension cost of \$738,841 for PERS was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.25% to 14.45% depending on age, service, and type of employment, (c) an inflation rate of 3.0%, (d) a payroll growth rate of 3.25%, and (e) individual salary growth - a merit scale varying by duration of employment coupled with an assumed annual inflation growth rate of 3.00% and an annual production growth of 0.25%.

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). The Schedule of Funding Progress on page 31 shows that both plans were underfunded as of June 30, 2008. Information for the year ending June 30, 2009 has not been released by the Plan Actuary.

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 2007 valuation to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 10 - Defined Benefit Pension Plan

Historical trend information

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

<u>Fiscal Year</u>	<u>Combined Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2007	\$ 668,043	100%	\$ -0-
6/30/2008	685,007	100%	-0-
6/30/2009	738,841	100%	-0-

Note 11 - Postemployment Benefits Other Than Pensions

The Town provides certain health care benefits to qualified retired employees until they become eligible for medicare benefits. Employees of the Town may become eligible for these benefits when they reach normal retirement age while working for the Town. The Town recognizes the cost of providing these benefits by expensing the monthly insurance premiums. Other postemployment benefits paid by the Town for the year totaled \$13,782. In accordance with Governmental Accounting Standards Board Statements No. 43 and 45, starting in fiscal year 2009-2010 the Town will be required to report the actuarial accrued liability for the estimated future expenditures for postemployment benefits other than pension plans, and the actuarial value of the plan assets. The Town has obtained an actuarial determination and has advance funded this plan with \$150,000. The actuarial accrued liability was tentatively estimated at \$2m as of July 1, 2008 using a 4% discount rate.

Note 12 - 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 these federal, state and local grant revenues is not assured in the future.

On November 5, 1996, California voters approved Proposition 218 which limited the ability of the state's local governments to impose, increase, and extend taxes, assessments, and fees. This applies to all taxes, assessments, and fees enacted or increased on or before January 1, 1995. The Town follows the required procedures for proposing new assessments, taxes, and fees into conformity with this law.

Note 13 - 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, 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, 2009 was \$85,056.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 13 - Risk Management

The ABAG Plan is a self-insured, risk-sharing pool comprised of 31 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, 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). The Town currently reports all of its workers' compensation related risk management activities in its General Fund (self-insurance reserve). 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.

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 or town. 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.

The Town has \$86,826 on deposit with its risk manager, which provides an 80% confidence level that the Town will have enough reserves set aside to meet its workers compensation self insurance obligations.

The Town currently reports all of its risk management activities in its General Fund. 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. During the year ended June 30, 2009, the Town paid \$87,000 for current year coverage. Financial statements may be obtained from BCJPIA, 1750 Creekside Drive, Suite 200, Sacramento, California 95833.

Note 14 - New Pronouncements

The GASB has issued Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans," which provides guidance on how to report "OPED" plans that qualify as a trust or agency funds or as fiduciary component units of either a participating employer, a plan sponsor, a public employee retirement system (PERS) or other administering entity. The requirements of this statement are effective for fiscal periods beginning after December 15, 2008, for plans in which the sole or largest employer has total annual revenues of less than \$10 million for governments that were *phase 3* for the implementation of GASB 34.

The GASB has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which provides guidance on all aspects of "OPED" reporting by employers. The requirements of this statement are effective for fiscal periods beginning after December 15, 2008, for governments that were *phase 3* for the implementation of GASB 34.

The GASB has issued Statement No. 50, "Pension Disclosures." This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2008 except for the requirement for plans that use the aggregate actuarial cost method to present a schedule of funding progress using the entry age actuarial cost method which is effective for the actuarial valuations as of June 15, 2008.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2009

Note 14 - New Pronouncements

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

The GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," issued in March 2009, initially distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with long-term notes receivable or inventory, and other amounts that are classified as spendable based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted - Amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - Amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority.
- Assigned - Amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed.
- Unassigned - The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The new standard also clarifies the definitions of individual governmental fund types. It also specifies how economic stabilization or "rainy day" amounts should be reported. Because of the specific nature of these accounts, the statement considers stabilization amount as *specific purposes*. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the appropriate criteria. Only if the resources in the stabilization arrangement derive from a restricted or committed revenue source could a stabilization fund be reported as a special revenue fund.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by this statement. The capital projects fund type was clarified for better alignment with the needs of financial statement users and prepares. Definitions are as follows:

- General fund - Account for and report all financial resources and uses not accounted for and reported in another fund.
- Special revenue funds - Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Capital projects funds - Account for and report financial resources that are restricted, committed, or assigned to the expenditure for capital outlays, including the acquisition of construction of capital facilities and other capital assets.
- Debt service funds - Account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- Permanent funds - Account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The requirements of this statement are effective for fiscal periods beginning after June 15, 2010 with earlier implementation encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TIBURON
Schedule of Funding Progress
Defined Benefit Pension Plan
Year Ended June 30, 2009

Pooled Report Format

Since the Town has less than 100 active members in each plan, it is required by CalPERS to participate in a risk pool. The following actuary valuation reports the activity of the risk pool as a whole, and not the specific activity of individual members such as the Town of Tiburon.

<u>Miscellaneous Plan - 2% at 55 Risk Pool</u>	<u>Actuarial Valuation Date - Year Ended</u>		
	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Accrued Liabilities (AL)	\$ 2,754,396,608	\$ 2,611,746,790	\$ 2,780,280,768
Actuarial Value of Assets (AVA)	\$ 2,492,226,176	\$ 2,391,434,447	\$ 2,547,323,278
Unfunded Liabilities (UL)	\$ 262,170,432	\$ 220,312,343	\$ 232,957,490
Funded Ratio (AVA/AL)	90.5%	91.6%	91.6%
Annual Covered Payroll	\$ 699,897,835	\$ 665,522,859	\$ 688,606,681
UL As a % of Payroll	37.5%	33.1%	33.8%
<u>Safety Plan - 3% at 55 Risk Pool</u>			
Accrued Liabilities (AL)	\$ 1,473,284,852	\$ 1,648,159,522	\$ 1,755,559,311
Actuarial Value of Assets (AVA)	\$ 1,252,059,468	\$ 1,422,143,105	\$ 1,517,609,609
Unfunded Liabilities (UL)	\$ 221,225,384	\$ 226,016,417	\$ 237,949,702
Funded Ratio (AVA/AL)	85.0%	86.3%	86.5%
Annual Covered Payroll	\$ 177,088,890	\$ 200,537,256	\$ 210,590,567
UL As a % of Payroll	124.9%	112.7%	113.0%

Note - Details of the defined benefit pension plan can be found in Note 10 of the financial statements. Information for the year ending June 30, 2009 has not been released by the Plan Actuary.

TOWN OF TIBURON
Budgetary Comparison Information
General Fund
Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance with Budget
REVENUES				
Property taxes	\$ 3,211,926	\$ 3,211,926	\$ 3,391,687	\$ 179,761
Other taxes	1,245,000	1,245,000	1,157,840	(87,160)
Franchise fees	458,200	458,200	468,852	10,652
Fines and penalties	175,000	175,000	167,989	(7,011)
Investment earnings	240,000	240,000	233,209	(6,791)
Intergovernmental and agency	758,108	758,108	848,031	89,923
Licenses and permits	950,900	950,900	1,240,398	289,498
Charges for services	316,600	316,600	530,116	213,516
Other revenue	92,500	92,500	149,785	57,285
Total Revenues	<u>7,448,234</u>	<u>7,448,234</u>	<u>8,187,907</u>	<u>739,673</u>
EXPENDITURES				
Current -				
Town administration	1,513,849	1,513,849	1,643,918	(130,069)
Community development	1,117,605	1,117,605	1,013,075	104,530
Public safety	2,950,037	2,950,037	2,740,265	209,772
Public works	1,307,101	1,307,092	1,145,451	161,641
Legislative boards and commissions	42,500	42,500	30,189	12,311
Non-departmental	1,974,227	1,977,990	529,702	1,448,288
Capital improvement projects	-	-	418,349	(418,349)
Total Expenditures	<u>8,905,319</u>	<u>8,909,073</u>	<u>7,520,949</u>	<u>1,388,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,457,085)</u>	<u>(1,460,839)</u>	<u>666,958</u>	<u>2,127,797</u>
OTHER FINANCING SOURCES				
Operating transfers in	1,474,420	1,474,420	252,600	(1,221,820)
Operating transfers (out)	-	-	(177,600)	(177,600)
Total Other Financing Sources	<u>1,474,420</u>	<u>1,474,420</u>	<u>75,000</u>	<u>(1,399,420)</u>
SURPLUS (DEFICIT)	<u>\$ 17,335</u>	<u>\$ 13,581</u>	<u>\$ 741,958</u>	<u>\$ 772,874</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF TIBURON
General Fund
Combining Balance Sheet
June 30, 2009

	General Operation	Employee Compensated Leave	Employee Housing Assistance	Police Bldg	PW Facility	GASB 45 OPEB Reserve	Self Insurance Reserve
ASSETS							
Cash and investments	\$ 4,533,469	\$ 266,772	\$ -	\$ -	\$ 1,461,383	\$ 150,000	\$ 270,763
Cash held by trustee	-	-	-	-	-	-	86,826
Accrued interest receivable	35,026	-	-	-	-	-	-
Other receivables	212,746	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Notes receivable	-	-	800,000	-	-	-	-
Total Assets	\$ 4,781,241	\$ 266,772	\$ 800,000	\$ -	\$ 1,461,383	\$ 150,000	\$ 357,589
LIABILITIES							
Accounts payable	\$ 143,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	44,242	-	-	-	-	-	293,000
Deposits	199,731	-	-	-	-	-	-
Total Liabilities	386,998	-	-	-	-	-	293,000
FUND BALANCES							
Reserved	-	-	800,000	-	-	-	-
Unreserved - designated	-	-	-	-	-	-	-
Unreserved - undesignated	4,394,243	266,772	-	-	1,461,383	150,000	64,589
Total Fund Balances	4,394,243	266,772	800,000	-	1,461,383	150,000	64,589
Total Liabilities and Fund Balances	\$ 4,781,241	\$ 266,772	\$ 800,000	\$ -	\$ 1,461,383	\$ 150,000	\$ 357,589

Capital Equip. Replace.	Technology Fund	Park Develop	Reserve Open Space Mgmt.	Disaster Response Reserve	Streets & Drainage Reserve	Traffic System Reserve	Capital Outlay Reserve	Totals
\$ 274,105	\$ 321,377	\$ 550,609	\$ 65,746	\$ 100,000	\$ 1,281,862	\$ 450,000	\$ 786,088	\$ 10,512,174
-	-	-	-	-	-	-	-	86,826
-	-	-	-	-	-	-	-	35,026
-	2,145	-	-	-	-	-	-	214,891
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	800,000
<u>\$ 274,105</u>	<u>\$ 323,522</u>	<u>\$ 550,609</u>	<u>\$ 65,746</u>	<u>\$ 100,000</u>	<u>\$ 1,281,862</u>	<u>\$ 450,000</u>	<u>\$ 786,088</u>	<u>\$ 11,648,917</u>

28,926	\$ 3,124	\$ 10,748	\$ 6,540	\$ -	\$ 20,281	\$ -	\$ -	\$ 212,644
-	-	-	-	-	-	-	-	337,242
-	-	-	-	-	-	-	-	199,731
<u>28,926</u>	<u>3,124</u>	<u>10,748</u>	<u>6,540</u>	<u>-</u>	<u>20,281</u>	<u>-</u>	<u>-</u>	<u>749,617</u>
-	-	-	-	-	-	-	-	800,000
-	-	-	-	-	-	-	-	-
<u>245,179</u>	<u>320,398</u>	<u>539,861</u>	<u>59,206</u>	<u>100,000</u>	<u>1,261,581</u>	<u>450,000</u>	<u>786,088</u>	<u>10,099,300</u>
<u>245,179</u>	<u>320,398</u>	<u>539,861</u>	<u>59,206</u>	<u>100,000</u>	<u>1,261,581</u>	<u>450,000</u>	<u>786,088</u>	<u>10,899,300</u>
<u>\$ 274,105</u>	<u>\$ 323,522</u>	<u>\$ 550,609</u>	<u>\$ 65,746</u>	<u>\$ 100,000</u>	<u>\$ 1,281,862</u>	<u>\$ 450,000</u>	<u>\$ 786,088</u>	<u>\$ 11,648,917</u>

TOWN OF TIBURON

General Fund

**Combining Statement of Revenues, Expenditures and Change in Fund Balances
Year Ended June 30, 2009**

	General Operation	Employee Compensated Leave	Employee Housing Assistance	Police Bldg	PW Facility	GASB 45 OPEB Reserve	Self Insurance Reserve
REVENUES							
Property taxes	\$ 3,391,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	1,157,840	-	-	-	-	-	-
Franchises	468,852	-	-	-	-	-	-
Fines and penalties	167,989	-	-	-	-	-	-
Investment earnings	233,209	-	-	-	-	-	-
Intergovernmental and agency	781,856	-	-	-	-	-	-
Licenses and permits	1,240,398	-	-	-	-	-	-
Charges for services	433,671	-	-	-	-	-	-
Other revenue	138,586	-	-	-	-	-	-
Total Revenues	8,014,088	-	-	-	-	-	-
EXPENDITURES							
Current -							
Town administration	1,514,382	1,280	-	-	-	-	5,531
Community development	986,329	-	-	-	-	-	5,531
Public safety	2,686,470	-	-	-	-	-	20,283
Public works	1,116,413	-	-	-	-	-	5,531
Legislative boards and commissions	30,189	-	-	-	-	-	-
Intra-departmental	529,702	-	-	-	-	-	-
Capital improvement projects	(41,146)	-	-	-	39,789	-	-
Total Expenditures	6,822,339	1,280	-	-	39,789	-	36,876
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	1,191,749	(1,280)	-	-	(39,789)	-	(36,876)
OTHER FINANCING SOURCES							
Operating transfers in	75,000	-	-	-	-	-	-
Operating transfers (out)	(177,600)	-	-	-	-	-	-
Total Other Financing Sources	(102,600)	-	-	-	-	-	-
Change in Fund Balances	1,089,149	(1,280)	-	-	(39,789)	-	(36,876)
Fund Balances - beginning	3,305,094	268,052	800,000	-	1,501,172	150,000	101,465
Fund Balances - end of year	\$ 4,394,243	\$ 266,772	\$ 800,000	\$ -	\$ 1,461,383	\$ 150,000	\$ 64,589

Capital Equip. Replace.	Technology Fund	Park Develop	Reserve Open Space Mgmt.	Disaster Response Reserve	Streets & Drainage Reserve	Traffic System Reserve	Capital Outlay Reserve	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,391,687
-	-	-	-	-	-	-	-	1,157,840
-	-	-	-	-	-	-	-	468,852
-	-	-	-	-	-	-	-	167,989
-	-	-	-	-	-	-	-	233,209
-	-	47,250	-	-	10,000	-	8,925	848,031
-	-	-	-	-	-	-	-	1,240,398
-	96,445	-	-	-	-	-	-	530,116
11,199	-	-	-	-	-	-	-	149,785
<u>11,199</u>	<u>96,445</u>	<u>47,250</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>8,925</u>	<u>8,187,907</u>
-	122,725	-	-	-	-	-	-	1,643,918
21,215	-	-	-	-	-	-	-	1,013,075
33,512	-	-	-	-	-	-	-	2,740,265
23,507	-	-	-	-	-	-	-	1,145,451
-	-	-	-	-	-	-	-	30,189
-	-	-	-	-	-	-	-	529,702
-	-	179,999	40,794	-	169,480	-	29,433	418,349
<u>78,234</u>	<u>122,725</u>	<u>179,999</u>	<u>40,794</u>	<u>-</u>	<u>169,480</u>	<u>-</u>	<u>29,433</u>	<u>7,520,949</u>
<u>(67,035)</u>	<u>(26,280)</u>	<u>(132,749)</u>	<u>(40,794)</u>	<u>-</u>	<u>(159,480)</u>	<u>-</u>	<u>(20,508)</u>	<u>666,958</u>
-	-	-	-	-	-	-	-	-
122,200	55,400	-	-	0	-	-	-	252,600
-	-	-	-	-	-	-	-	(177,600)
<u>122,200</u>	<u>55,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
55,165	29,120	(132,749)	(40,794)	-	(159,480)	-	(20,508)	741,958
<u>190,014</u>	<u>291,278</u>	<u>672,610</u>	<u>100,000</u>	<u>100,000</u>	<u>1,421,061</u>	<u>450,000</u>	<u>806,596</u>	<u>10,157,342</u>
<u>\$ 245,179</u>	<u>\$ 320,398</u>	<u>\$ 539,861</u>	<u>\$ 59,206</u>	<u>\$ 100,000</u>	<u>\$ 1,261,581</u>	<u>\$ 450,000</u>	<u>\$ 786,088</u>	<u>\$ 10,899,300</u>

TOWN OF TIBURON
Special Revenue Funds
Combining Balance Sheet
June 30, 2009

	RDA General	RDA Housing Set-Aside	Police Asset Forfeiture	Police Supp Law Enforcement	COPS Technical Grant
ASSETS					
Cash and investments	\$ 288,989	\$ 702,351	\$ 88	\$ (7,196)	\$ 1,416
Accrued interest receivable	1,091	2,746	-	-	5
Tax increment receivable	-	-	-	45,115	-
Other receivables	-	-	-	-	-
Notes receivable	-	813,411	-	-	-
Total Assets	\$ 290,080	\$ 1,518,508	\$ 88	\$ 37,919	\$ 1,421
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Reserved	-	813,411	-	-	-
Unreserved	290,080	705,097	88	37,919	1,421
Total Fund Balances	290,080	1,518,508	88	37,919	1,421
Total Liabilities and Fund Balances	\$ 290,080	\$ 1,518,508	\$ 88	\$ 37,919	\$ 1,421

Cypress Hollow LLD-98	State Gasoline Tax	State Traffic Congestion Relief	Measure A Sales Tax	CA Proposition 1B	Totals
\$ 70,508	\$ 458,584	\$ 32,770	\$ 96,801	\$ 401,490	\$ 2,045,801
266	1,733	123	366	1,515	7,845
100	-	-	-	-	45,215
-	-	-	-	-	-
-	-	-	-	-	813,411
<u>\$ 70,874</u>	<u>\$ 460,317</u>	<u>\$ 32,893</u>	<u>\$ 97,167</u>	<u>\$ 403,005</u>	<u>\$ 2,912,272</u>
\$ -	\$ 2,382	\$ -	\$ 2,414	\$ -	\$ 4,796
-	-	-	-	-	-
-	-	-	-	-	-
-	2,382	-	2,414	-	4,796
-	-	-	-	-	813,411
70,874	457,935	32,893	94,753	403,005	2,094,065
70,874	457,935	32,893	94,753	403,005	2,907,476
<u>\$ 70,874</u>	<u>\$ 460,317</u>	<u>\$ 32,893</u>	<u>\$ 97,167</u>	<u>\$ 403,005</u>	<u>\$ 2,912,272</u>

TOWN OF TIBURON
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Change in Fund Balances
Year Ended June 30, 2009

	RDA General	RDA Housing Set-Aside	Police Asset Forfeiture	Police Supp Law Enforcement	COPS Technical Grant
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Franchises	-	-	-	-	-
Fines and penalties	-	-	-	-	-
Investment earnings	5,534	17,623	-	358	31
Intergovernmental and agency	-	-	-	100,000	-
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	5,534	17,623	-	100,358	31
EXPENDITURES					
Current -					
Town administration	-	-	-	-	-
Community development	1,000	1,000	-	-	-
Public safety	-	-	-	43	-
Public works	-	-	-	-	-
Legislative boards and commissions	-	-	-	-	-
Capital improvement projects	-	-	-	-	-
Total Expenditures	1,000	1,000	-	43	-
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	4,534	16,623	-	100,315	31
OTHER FINANCING SOURCES					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	-	-	-	(75,000)	-
Other	-	-	-	-	-
Total Other Financing Sources	-	-	-	(75,000)	-
Change in Fund Balances	4,534	16,623	-	25,315	31
Fund Balances - beginning	285,546	1,501,885	88	12,604	1,390
Fund Balances - end of year	\$ 290,080	\$ 1,518,508	\$ 88	\$ 37,919	\$ 1,421

Cypress Hollow LLD-98	State Gasoline Tax	State Traffic Congestion Relief	County Measure A Sales Tax	California Prop 1B	Totals
\$ -	\$ -	\$ -			\$ -
-	191,235	-	87,546		278,781
-	-	-			-
-	-	-			-
1,520	9,035	586	2,121	8,690	45,498
16,544	-	21,776		-	138,320
-	-	-			-
-	-	-			-
-	-	-			-
<u>18,064</u>	<u>200,270</u>	<u>22,362</u>	<u>89,667</u>	<u>8,690</u>	<u>462,599</u>
-	-	-			-
-	-	-			2,000
-	-	-			43
19,981	-	-			19,981
-	-	-			-
-	51,622	24,574	86,999	8,795	171,990
<u>19,981</u>	<u>51,622</u>	<u>24,574</u>	<u>86,999</u>	<u>8,795</u>	<u>194,014</u>
(1,917)	148,648	(2,212)	2,668	(105)	268,585
-	-	-			-
-	-	-			(75,000)
-	-	-			-
-	-	-	-		(75,000)
(1,917)	148,648	(2,212)	2,668	(105)	193,585
<u>72,791</u>	<u>309,287</u>	<u>35,105</u>	<u>92,085</u>	<u>403,110</u>	<u>2,713,891</u>
<u>\$ 70,874</u>	<u>\$ 457,935</u>	<u>\$ 32,893</u>	<u>\$ 94,753</u>	<u>\$ 403,005</u>	<u>\$ 2,907,476</u>

TOWN OF TIBURON
Capital Projects Funds
Combining Balance Sheet
June 30, 2009

	State Prop 116 Waterfront	Country Belair 98-8	Property Development Tax	Town owned Housing Unit	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu	Open Space Acquisition
ASSETS									
Cash and investments	\$ 25	\$ -	\$ 4,333	\$ 120,894	\$ 12,367	\$ 1,263,891	\$ 31,724	\$ 1,342	\$ 188,695
Accrued interest receivable	-	-	16	453	46	981	120	5	712
Other receivables	-	-	-	1,250	-	8,089	-	-	-
Notes receivable	-	-	-	-	-	54,927	-	-	-
Total Assets	\$ 25	\$ -	\$ 4,349	\$ 122,597	\$ 12,413	\$ 1,327,888	\$ 31,844	\$ 1,347	\$ 189,407
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 151	\$ -	\$ 40,300	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	(2,030)	-	-
Deposits - tenant	-	-	-	8,150	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	8,150	151	-	38,270	-	-
FUND BALANCES									
Reserved	-	-	-	-	-	54,927	-	-	-
Unreserved	25	-	4,349	114,447	12,262	1,272,961	(6,426)	1,347	189,407
Total Fund Balances	25	-	4,349	114,447	12,262	1,327,888	(6,426)	1,347	189,407
Total Liabilities and Fund Balances	\$ 25	\$ -	\$ 4,349	\$ 122,597	\$ 12,413	\$ 1,327,888	\$ 31,844	\$ 1,347	\$ 189,407

Downtown Art Project	Planning Area Mitigation	Tiburon Street Impact	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Marsh Restoration & Maintenance	Street Frontage Improvement	Tiburon Long Range Planning	Capital Project Funds Totals
\$ 2,051	\$ 193,154	\$ 1,614,499	\$ 205,643	\$ 257,920	\$ 128,167	\$ -	\$ 2,407	\$ 149,301	\$ 4,176,413
-	729	4,198	774	944	484	-	9	597	10,068
-	-	28,421	-	-	-	-	-	913	38,673
-	-	-	-	-	-	-	-	-	54,927
<u>\$ 2,051</u>	<u>\$ 193,883</u>	<u>\$ 1,647,118</u>	<u>\$ 206,417</u>	<u>\$ 258,864</u>	<u>\$ 128,651</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 150,811</u>	<u>\$ 4,280,081</u>

\$ -	\$ 16,973	\$ -	\$ -	\$ 231,093	\$ -	\$ -	\$ -	\$ -	\$ 288,517
-	-	-	-	-	-	-	-	-	(2,030)
-	-	-	-	-	-	-	-	-	8,150
-	-	-	-	-	-	-	-	-	-
-	16,973	-	-	231,093	-	-	-	-	294,637

-	-	-	-	-	-	-	-	-	54,927
2,051	176,910	1,647,118	206,417	27,771	128,651	-	2,416	150,811	3,930,517
<u>2,051</u>	<u>176,910</u>	<u>1,647,118</u>	<u>206,417</u>	<u>27,771</u>	<u>128,651</u>	<u>-</u>	<u>2,416</u>	<u>150,811</u>	<u>3,985,444</u>
<u>\$ 2,051</u>	<u>\$ 193,883</u>	<u>\$ 1,647,118</u>	<u>\$ 206,417</u>	<u>\$ 258,864</u>	<u>\$ 128,651</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 150,811</u>	<u>\$ 4,280,081</u>

TOWN OF TIBURON
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Change in Fund Balances
Year Ended June 30, 2009

	State Prop 116 Waterfront	Country Belair 98-8	Property Development Tax	Town owned Housing Unit	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu
REVENUE								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-
Franchises	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-
Investment earnings	-	-	66	2,203	293	26,276	1,392	28
Intergovernmental and agency	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	-	-	-	78,650	-	-	-	-
Other revenue	-	-	-	-	1,280	-	31,750	-
Total Revenues	-	-	66	80,853	1,573	26,276	33,142	28
EXPENDITURES								
Current -								
Town administration	-	-	-	40,711	-	-	-	-
Community development	-	-	-	-	3,391	15,645	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Legislative boards and commissions	-	-	-	-	-	-	-	-
Capital improvement projects	-	-	-	-	-	-	92,849	-
Total Expenditures	-	-	-	40,711	3,391	15,645	92,849	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	66	40,142	(1,818)	10,631	(59,707)	28
OTHER FINANCING SOURCES								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-	-
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	-	-	-
Change in Fund Balances	-	-	66	40,142	(1,818)	10,631	(59,707)	28
Fund Balances - beginning	25	-	4,283	74,305	14,080	1,317,257	53,281	1,319
Fund Balances - end of year	\$ 25	\$ -	\$ 4,349	\$114,447	\$ 12,262	\$ 1,327,888	\$ (6,426)	\$ 1,347

Open Space Acquisition	Downtown Art Project	Planning Area Mitigation	Tiburon Street Impact	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Marsh Restoration & Maintenance	Street Frontage Improvement	Tiburon Long Range Planning	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
4,073	9	3,865	25,814	4,109	1,376	2,762	-	51	3,028	75,345
-	-	-	-	-	-	-	-	-	-	-
-	-	412	704,243	49,807	5,603	-	-	-	50,614	889,329
-	-	-	-	-	-	-	-	-	-	33,030
<u>4,073</u>	<u>9</u>	<u>4,277</u>	<u>730,057</u>	<u>53,916</u>	<u>6,979</u>	<u>2,762</u>	<u>-</u>	<u>51</u>	<u>53,642</u>	<u>\$ 997,704</u>
-	-	-	-	-	-	-	-	-	-	40,711
-	-	-	-	-	-	-	-	-	18,060	37,096
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	73,069	-	-	-	-	-	165,918
-	-	-	-	73,069	-	-	-	-	18,060	243,725
<u>4,073</u>	<u>9</u>	<u>4,277</u>	<u>730,057</u>	<u>(19,153)</u>	<u>6,979</u>	<u>2,762</u>	<u>-</u>	<u>51</u>	<u>35,582</u>	<u>753,979</u>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>4,073</u>	<u>9</u>	<u>4,277</u>	<u>730,057</u>	<u>(19,153)</u>	<u>6,979</u>	<u>2,762</u>	<u>-</u>	<u>51</u>	<u>35,582</u>	<u>753,979</u>
<u>185,334</u>	<u>2,042</u>	<u>172,633</u>	<u>917,061</u>	<u>225,570</u>	<u>20,792</u>	<u>125,889</u>	<u>-</u>	<u>2,365</u>	<u>115,229</u>	<u>3,231,465</u>
<u>\$ 189,407</u>	<u>\$ 2,051</u>	<u>\$ 176,910</u>	<u>\$ 1,647,118</u>	<u>\$ 206,417</u>	<u>\$ 27,771</u>	<u>\$ 128,651</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 150,811</u>	<u>\$ 3,985,444</u>

