

TOWN OF TIBURON
California

Annual Financial Report

**Year Ended
June 30, 2019**

TOWN OF TIBURON

Table of Contents

INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)	
Required Supplementary Information, as prepared by management	3-11
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenue, Expenditures, and Change in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Assets and Liabilities - Agency Funds	18
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds.....	19
Statement of Change in Fiduciary Net Position - Fiduciary Funds.....	20
NOTES TO FINANCIAL STATEMENTS	21-41
REQUIRED SUPPLEMENTARY INFORMATION (unaudited)	
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan	42-43
Other Postemployment Benefits Plan	44
Budgetary Comparison Information	45-47
OTHER SUPPLEMENTARY INFORMATION	
Combining Funds Financial Statements	
General Fund:	
Combining Balance Sheet	48
Combining Statement of Revenue, Expenditures, and Change in Fund Balance.....	49
Nonmajor Governmental Funds:	
Combining Balance Sheet	50-51
Combining Statement of Revenue, Expenditures, and Change in Fund Balances.....	52-53

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860-0127

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tiburon, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Tiburon, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Marcello & Company

Certified Public Accountants
Sacramento, California
September 19, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

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

Town of Tiburon Management's Discussion and Analysis

As management of the Town of Tiburon, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019 (FY 2019). We encourage readers to consider the information presented here in conjunction with the Town's financial statements, which follow this discussion and analysis.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Town of Tiburon Management's Discussion and Analysis

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

FINANCIAL HIGHLIGHTS

Government-wide Financial Statement Highlights

- The Government-wide Statement of Net Position, appearing as the first statement of the basic financial statements, shows that the Town's total assets exceeded total liabilities by \$47.8 million. Of this amount, \$5.7 million was unrestricted net position and may be used to meet the Town's ongoing obligations to the citizens and creditors of the Town.

- Town cash and investments totaled \$23.7 million, and capital assets totaled \$36 million on June 30, 2019, representing 38% and 60% of the Town's total assets, respectively.

Town of Tiburon Management's Discussion and Analysis

- The Town's liabilities totaled approximately \$11.7 million and consist of accounts payable, refundable deposits, compensated absences, net OPEB plan liability, and net pension plan liability.
- The Government-wide Statement of Activities shows that total revenue was approximately \$13.1 million (general revenue of \$10.9 million and program revenue of \$2.2 million) compared with total expenses of approximately \$16.7 million, resulting in a decrease in net position of \$3,563,439.

Fund Financial Statement Highlights

- At the close of FY 2019, the combined fund balance of the Town's Governmental Funds was \$22.5 million, which represents a decrease of \$1,657,659 from the previous fiscal year. Of this combined fund balance, approximately \$14.7 million is from the General Fund, which is a decrease of \$1,705,924 from FY 2018. The detailed components of revenue and expenditures can be found in the accompanying Statement of Revenue, Expenditures, and Change in Fund Balances.

Town Highlights

- The Town completed construction of the new McKegney Green soccer field.
- The Town made a contribution of \$158,752 towards the Hawthorne Drive undergrounding.
- The Town continued making significant investment in drainage infrastructure and completed \$375,659 in such improvements during the fiscal year.
- The Town contributed \$1.25 million above its required contribution towards its CalPERS unfunded pension liability into the PARS Pension Trust.
- The Town contributed an additional \$650,000 towards its OPEB liabilities above its normal salary-based contribution.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

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

Net Position

Net position is a measure of a government's financial position. In the case of the Town of Tiburon, assets exceeded liabilities and deferred inflows by \$47.8 million, a decrease of \$3.6 million over the previous fiscal year's net position. By far the largest portion (75%) of the Town's net position reflects its investment in capital assets (land, buildings, roadways, drainage systems, and equipment). The Town uses capital assets to provide services to its citizens. Consequently, these assets are not available for future appropriations. The Town carries no debt related to its capital assets.

Town of Tiburon Management's Discussion and Analysis

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

Statement of Net Position Comparison of FY 2019 and FY 2018

	June 30		Amount Change	Percent Change
	2019	2018		
Assets				
Current and other assets	\$ 23,690,003	\$ 26,328,158	\$ (2,638,155)	-10%
Capital assets, net	36,084,932	39,298,827	(3,213,895)	-8%
Total assets	59,774,935	65,626,985	(5,852,050)	-9%
Deferred Outflows of Resources				
Deferred pension outflows	2,129,024	2,703,793	(574,769)	-21%
Deferred OPEB outflows	-	178,272	(178,272)	100%
Total assets and deferred outflows	61,903,959	68,509,050	(6,605,091)	-10%
Liabilities				
Current liabilities	1,287,221	2,263,971	(976,750)	-43%
Noncurrent liabilities	249,813	238,574	11,239	5%
Net pension liability	7,934,808	8,168,481	(233,673)	-3%
Net OPEB liability	2,225,740	2,128,177	97,563	5%
Total liabilities	11,697,582	12,799,203	(1,101,621)	-9%
Deferred Inflows of Resources				
Deferred pension inflows	626,692	862,705	(236,013)	-27%
Deferred OPEB inflows	1,768,544	2,094,327	(325,783)	100%
Total liabilities and deferred inflows	14,092,818	15,756,235	(1,663,417)	-11%
Net Position				
Net investment in capital assets	36,084,932	39,298,827	(3,213,895)	-8%
Restricted	5,938,657	5,745,170	193,487	3%
Unrestricted	5,787,552	7,708,818	(1,921,266)	-25%
Total net position	\$ 47,811,141	\$ 52,752,815	\$ (4,941,674)	-9%

- Current and other assets decreased by 10% or \$2.6 million over the prior year due to additional contributions to its unfunded liability trusts and contribution to the Hawthorne Drive undergrounding.
- Capital assets decreased 9% or \$3.2 million over the prior fiscal year. The Town had not depreciated certain categories of depreciable assets in prior years. Due to new system implementation, the Town was able to record current depreciation of all depreciable asset categories.
- Deferred Outflows for pension and OPEB decreased by 10% or \$6.6 million due to contributions made towards unfunded liabilities in the Town's PARS fiduciary trusts.

Town of Tiburon Management's Discussion and Analysis

- Total liabilities decreased by \$1.1 million or 9% from the prior year. Approximately \$900,000 of this is due to reduction of accrued payables to vendors, and \$233,600 in reduction of pension liabilities.

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

	June 30		Amount Change	Percent Change
	2019	2018		
Revenue				
Program revenue	\$ 2,249,701	\$ 2,407,897	\$ (158,196)	-7%
General revenue	10,903,020	10,613,841	289,179	3%
Total revenue	<u>13,152,721</u>	<u>13,021,738</u>	<u>130,983</u>	1%
Expenses				
General government	6,555,626	5,218,838	1,336,788	26%
Public Safety	3,100,193	4,959,250	(1,859,057)	-37%
Public Works	1,939,140	2,601,372	(662,232)	-25%
Capital Improvements	3,059,604	371,210	2,688,394	724%
Depreciation	<u>2,061,597</u>	<u>1,458,582</u>	<u>603,015</u>	41%
Total expenses	<u>16,716,160</u>	<u>14,609,252</u>	<u>2,106,908</u>	14%
Change in Net Position	(3,563,439)	(1,587,514)	(1,975,925)	124%
Net Position - beginning	52,752,815	54,340,329	(1,587,514)	-3%
Prior period adjustment-depreciation	<u>(1,378,235)</u>	-	-	
Net Position - beginning, as restated	<u>51,374,580</u>	<u>54,340,329</u>	<u>(1,587,514)</u>	
Net Position - end of year	<u>\$ 47,811,141</u>	<u>\$ 52,752,815</u>	<u>\$(3,563,439)</u>	-7%

- Program Revenue decreased by \$158,196 or 7% over the prior year. This decrease was due in part to the Town terminating its contract for shared Police services with the Town of Belvedere for parking patrol; and reductions in planning and building service revenue.
- General Revenue increased by \$289,179, or 3% from the previous fiscal year. The Town continued to see greater than anticipated increases in General Revenue, particularly property tax. Slight decreases were realized in sales, transient occupancy, property transfer, and gas taxes; as well as investment earnings.
- General government expense increases were impacted by GASB 68 (pension plan expense) and GASB 75 (OPEB retiree medical benefits plan expense).
- Capital Improvement expense increases relate to various projects cost, such as the completion of the McKegney Green soccer field at \$1.3 million; Storm Drain Improvements of \$0.4 million; contribution to the Hawthorne Utility Undergrounding Assessment District of \$159 thousand; and annual Street Maintenance Program of \$0.8 million.

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

FINANCIAL ANALYSIS OF THE GENERAL FUND

Revenue

The general fund is the main operating fund of the Town. The general fund consists of the general operating account and 11 reserve funds. During FY 2019, the Town received general fund revenue of \$11.4 million which represents a slight decrease of \$31,961 below the previous fiscal year.

The table below compares general fund revenue by category for the fiscal years ended June 30, 2019 and 2018:

General Fund Revenue Comparison

	June 30		Amount Change	Percent Change
	2019	2018		
Property taxes	\$ 6,131,237	\$ 5,697,027	\$ 434,210	8%
Other taxes	1,638,725	1,792,821	(154,096)	-9%
Franchise fees	752,716	780,840	(28,124)	-4%
Fines and penalties	408,687	147,607	261,080	177%
Investment earnings	329,964	240,191	89,773	37%
Intergovernmental	151,771	527,310	(375,539)	-71%
Licenses and permits	991,374	1,108,235	(116,861)	-11%
Charge for services	664,113	587,072	77,041	13%
Other revenue	381,175	600,620	(219,445)	-37%
	<u>\$ 11,449,762</u>	<u>\$ 11,481,723</u>	<u>\$ (31,961)</u>	0%

- **Property Taxes.** In FY 2019 the Town realized an 8% increase in overall property tax revenue.
- **Other Taxes.** Overall the Town recorded a 9% decrease in other taxes.
- **Franchise Fees.** Franchise fees decreased by 4% over the previous year. The Town receives franchise fees from PG&E, Mill Valley Refuse, and Comcast Cable. Franchise fees for Comcast Cable were received late and processed for the following fiscal year.
- **Fines and Penalties.** Overall, fines and penalties increased by 177% or \$261,080 over the previous year. The majority of this increase is due to construction permit penalties and fines.
- **Investment Earnings.** Investment Earnings increased 37% due to rising interest income rates on funds invested with the State of California Local Agency Investment Fund (LAIF).
- **Intergovernmental.** Intergovernmental revenue decreased by 71% or \$375,539 in FY 2019. The decrease is due to a \$400,000 contribution from the Tiburon Peninsula Soccer League received in FY 2017-18 as a one-time contribution.
- **License and Permits.** The Town realized an 11% decrease in license and permit revenue in FY 2019. Most sources of revenue within this category were consistent with the previous year, with the exception of building, alarm system, encroachment, and parking permit revenue, which decreased by \$116,861.

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

- **Charge for Services.** This revenue category increased by 13% in FY 2019

Expenditures

General Fund expenditures increased by 23% or \$2,443,669 in FY 2019. The two-year comparison table below illustrates the expenditure categories by department for the fiscal years ended June 30, 2019 and 2018:

General Fund Expenditures Comparison

	June 30		Amount Change	Percent Change
	2019	2018		
Town Administration	\$ 1,682,970	\$ 1,657,207	\$ 25,763	2%
Community Development	1,288,776	1,230,518	58,258	5%
Public Safety	3,178,101	3,263,627	(85,526)	-3%
Public Works	1,842,658	1,619,389	223,269	14%
Legislative Boards	75,656	68,495	7,161	10%
Non-departmental	3,189,945	1,308,855	1,881,090	144%
Capital Improvements	2,015,747	1,682,093	333,654	20%
	<u>13,273,853</u>	<u>10,830,184</u>	<u>2,443,669</u>	23%
Excess Revenue over (under) Expenditures	<u>\$ (1,824,091)</u>	<u>\$ 651,539</u>	<u>\$ (2,475,630)</u>	-380%

- Town Administration increased by 2% or \$25,763 over FY 2018. This is consistent with salary and benefit increases that were granted during the year.
- Community Development increased by 5%. This is consistent with salary and benefit increases that were granted during the year.
- Public Safety expenses decreased by 3% or \$85,586 from FY 2018. This is due in part to the non-renewal of services provided by the City of Belvedere for the Chief of Police and termination of Lexipol services.
- Public Works expenditures increased by 14% over the previous year. New funding for vegetation in the Caltrans right-of-way and annual maintenance and water services for the new McKegney Green soccer field contributed to an increase in operational costs in the Parks Division in FY 2019.
- Non-departmental expenses increased by 144% or \$1.9 million over 2018. The increase is due to additional contributions to both the OPEB and pension trusts, in accordance with the approved FY 2019 budget.
- General Fund Capital Improvement expenditures increased by 20% or \$334,000 over the previous year. The Town commenced its biannual street repaving program in 2019 and also completed construction of the McKegney Green soccer field.

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

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The following table presents a two-year comparison of the Town's governmental funds revenue and expenditures for FY 2019 and 2018:

Total Governmental Funds Comparison of FY 2019 and FY 2018				
	June 30		Amount Change	Percent Change
	2019	2018		
<u>Revenue</u>				
Property Taxes	\$ 6,131,237	\$ 5,713,571	\$ 417,666	7%
Other Taxes	2,038,125	2,376,393	(338,268)	-14%
Franchise Fees	752,716	780,840	(28,124)	-4%
Fines and Forfeitures	408,687	147,607	261,080	177%
Interest Earnings	510,488	338,773	171,715	51%
Intergovernmental	485,951	687,112	(201,161)	-29%
License and Permits	991,374	1,108,235	(116,861)	-11%
Other Revenue	1,220,317	1,177,220	43,097	4%
Charge for Services	613,826	691,987	(78,161)	-11%
Totals	13,152,721	13,021,738	130,983	1%
<u>Expenditures</u>				
Town Administration	1,684,511	1,658,809	25,702	2%
Community Development	1,288,776	1,236,060	52,716	4%
Public Safety	3,178,101	3,263,627	(85,526)	-3%
Public Works	1,978,094	1,753,561	224,533	13%
Legislative	75,656	71,665	3,991	6%
Nondepartmental	3,545,637	1,404,493	2,141,144	152%
Capital Projects	3,059,605	2,098,406	961,199	46%
Totals	14,810,380	11,486,621	3,323,759	29%
Excess Revenue over (under) Expenditures	\$ (1,657,659)	\$ 1,535,117	\$ (3,192,776)	-208%

Town of Tiburon Management's Discussion and Analysis

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The adopted budget for FY 2019-20 projects an operating surplus of \$127,436. General Fund revenue is anticipated to increase \$438,518 over the approved FY 2018-19 budget, and expenditures by \$448,916. The Town's largest tax revenue generator is property taxes. The Town is anticipating the fiscal year 2019-20 tax roll to increase by approximately 4% over the previous year. Other tax and non-tax revenue are expected to grow moderately, in the range of 1% to 2%.

The Town's largest expenditure relates to employee salaries and benefits. Personnel costs are tied to labor agreements with the Town's two organized employee groups, and unrepresented management and mid-management employees. The Tiburon Police Association and the smaller Service Employee's International Union negotiated three-year contracts effective June 30, 2018. Unrepresented employees are covered under Resolution of the Town Council which expires on June 30, 2020. Negotiated salary increases under these contracts ranged between 2.75% and 3.0%.

The Town continues to have a healthy long-term financial position, while Staff aggressively monitors revenue and expenditures along with recently implemented financial planning strategies to reduce unfunded pension and OPEB liabilities. The citizens of the Town are fortunate that they can enjoy exceptional Town services, a balanced budget, and that vital Town infrastructure continues to be maintained and improved.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF TIBURON
Government-wide Financial Statements
Statement of Net Position
June 30, 2019

	Total Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 22,982,129
Receivables	707,874
Total current assets	23,690,003
Noncurrent Assets	
Capital assets not being depreciated	4,087,952
Capital assets, net of depreciation	31,996,980
Total noncurrent assets	36,084,932
Total assets	59,774,935
Deferred Outflows of Resources	
Deferred pension outflows	2,129,024
Deferred OPEB outflows	-
Total assets and deferred outflows of resources	61,903,959
Liabilities	
Current Liabilities	
Accounts payable	257,224
Accrued liabilities	273,000
Deposits	673,726
Compensated absences - current	83,271
Total current liabilities	1,287,221
Noncurrent Liabilities	
Compensated absences	249,813
Net pension liability	7,934,808
Other postemployment benefits liability	2,225,740
Total noncurrent liabilities	10,410,361
Total liabilities	11,697,582
Deferred Inflows of Resources	
Deferred pension inflows	626,692
Deferred OPEB inflows	1,768,544
Total liabilities and deferred inflows of resources	14,092,818
Net Position	
Net investment in capital assets	36,084,932
Restricted	5,938,657
Unrestricted	5,787,552
Total net position	\$ 47,811,141

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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	
Governmental Activities:					
General government	\$ 6,555,626	\$ 1,672,031	\$ -	\$ -	\$ (4,883,595)
Public safety	3,100,193	-	37,234	-	(3,062,959)
Public works	1,939,140	-	-	-	(1,939,140)
Capital improvements	3,059,604	-	540,436	-	(2,519,168)
Depreciation	2,061,597	-	-	-	(2,061,597)
Totals	<u>\$ 16,716,160</u>	<u>\$ 1,672,031</u>	<u>\$ 577,670</u>	<u>\$ -</u>	<u>(14,466,459)</u>

General Revenue:

Property taxes	6,131,237
Sales taxes	846,501
Transient occupancy tax	838,089
Property transfer taxes	143,306
Gasoline taxes	210,227
Investment earnings	510,488
Intergovernmental	447,941
Franchise fees	752,716
Fines and forfeitures	408,687
Other revenue	613,828
Total general revenue	<u>10,903,020</u>

Change in Net Position (3,563,439)

Net Position - beginning	52,752,815
Prior period adjustment - depreciation expense	<u>(1,378,235)</u>
Net Position - beginning, as restated	51,374,580
Net Position - end of year	<u>\$ 47,811,141</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

TOWN OF TIBURON
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General</u> <u>Fund</u>	<u>Tiburon</u> <u>Street</u> <u>Impact Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and investments	\$ 15,176,903	\$ 2,694,680	\$ 5,110,546	\$ 22,982,129
Receivables	705,844	-	2,030	707,874
Total assets	<u>\$ 15,882,747</u>	<u>\$ 2,694,680</u>	<u>\$ 5,112,576</u>	<u>\$ 23,690,003</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 246,435	\$ 10,789	\$ -	\$ 257,224
Accrued liabilities	223,000	-	50,000	273,000
Deposits	664,436	-	9,290	673,726
Total liabilities	<u>1,133,871</u>	<u>10,789</u>	<u>59,290</u>	<u>1,203,950</u>
 Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	2,683,891	3,254,766	5,938,657
Committed	11,773,189	-	1,584,720	13,357,909
Assigned	-	-	213,800	213,800
Unassigned	2,975,687	-	-	2,975,687
Total fund balances	<u>14,748,876</u>	<u>2,683,891</u>	<u>5,053,286</u>	<u>22,486,053</u>
 Total liabilities and fund balances	 <u>\$ 15,882,747</u>	 <u>\$ 2,694,680</u>	 <u>\$ 5,112,576</u>	 <u>\$ 23,690,003</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds (page 14)	\$ 22,486,053
Amounts reported for governmental activities in the statement of net position are different because:	
(1) Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the balance sheet.	36,084,932
(2) Pension plan contributions are reported as deferred outflows of resources in the statement of net position.	2,129,024
(3) Other post-retirement employee medical benefit plan contributions are reported as deferred outflows of resources in the statement of net position.	-
(4) Long-term liabilities and obligations are not due and payable in the current period and therefore, are not reported in the governmental funds balance sheet.	
Compensated Absences	(333,084)
Net Pension Liability	(7,934,808)
Net OPEB Liability	(2,225,740)
(5) Deferred pension plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	(626,692)
(6) Other post-retirement employee medical benefits plan inflows of resources are not recognized as revenue in the governmental funds financial statements.	<u>(1,768,544)</u>
Net position of governmental activities (page 12)	<u><u>\$ 47,811,141</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Revenue, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2019

REVENUE	General Fund	Tiburon Street Impact Fund	Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 6,131,237	\$ -	\$ -	\$ 6,131,237
Other taxes	1,638,725	-	399,400	2,038,125
Franchise fees	752,716	-	-	752,716
Fines and forfeitures	408,687	-	-	408,687
Investment earnings	329,964	62,367	118,157	510,488
Intergovernmental and agency	151,771	-	334,180	485,951
Licenses and permits	991,374	-	-	991,374
Charges for services	664,113	539,660	16,544	1,220,317
Other revenue	381,175	-	232,651	613,826
Total revenue	<u>11,449,762</u>	<u>602,027</u>	<u>1,100,932</u>	<u>13,152,721</u>
EXPENDITURES				
Current -				
Town administration	1,682,970	-	1,541	1,684,511
Community development	1,288,776	-	-	1,288,776
Public safety	3,178,101	-	-	3,178,101
Public works	1,842,658	-	135,436	1,978,094
Legislative boards	75,656	-	-	75,656
Non-departmental	3,189,945	-	355,692	3,545,637
Capital improvement projects	2,015,747	848,304	195,554	3,059,605
Total expenditures	<u>13,273,853</u>	<u>848,304</u>	<u>688,223</u>	<u>14,810,380</u>
Excess Revenue over (under) Expenditures	<u>(1,824,091)</u>	<u>(246,277)</u>	<u>412,709</u>	<u>(1,657,659)</u>
Other financing sources / (uses):				
Operating transfers in	2,518,167	-	-	2,518,167
Operating transfers (out)	<u>(2,400,000)</u>	<u>-</u>	<u>(118,167)</u>	<u>(2,518,167)</u>
Total other sources (uses)	<u>118,167</u>	<u>-</u>	<u>(118,167)</u>	<u>-</u>
CHANGE IN FUND BALANCES	(1,705,924)	(246,277)	294,542	(1,657,659)
Fund balances - beginning	<u>16,454,800</u>	<u>2,930,168</u>	<u>4,758,744</u>	<u>24,143,712</u>
Fund balances - end of year	<u>\$ 14,748,876</u>	<u>\$ 2,683,891</u>	<u>\$ 5,053,286</u>	<u>\$ 22,486,053</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Reconciliation of the Statement of Revenue, Expenditures, and Change in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2019

Change in fund balances - governmental funds (page 16) \$ (1,657,659)

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

Capital Assets

The cost of capital assets is allocated over their estimated useful lives and
reported as depreciation expense in the statement of activities. (2,061,597)

Measurement focus

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

Change in compensated absences liability	(14,986)
Change in net pension liability	233,673
Change in OPEB liability with the implementation of GASB 75	<u>(62,870)</u>

Change in net position of governmental activities (page 13) \$ (3,563,439)

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019

	Tiburon Public Facilities	1972 Open Space Bonds	Tiburon Public Finance Authority	Del Mar Valley A/D	Mount. View AD	South Virginia Under- ground	Hawthorne Terrace UAD	Peninsula Library JPA	Total Agency Funds
ASSETS									
Cash and									
investments	\$ 1,126	\$ 30,958	\$ 543,537	\$ 243	\$ 106,265	\$ 51,244	\$ 301,814	\$ 3,063	\$ 1,037,124
Cash with trustee	-	-	56,754	-	-	-	-	-	56,754
Total Assets	<u>\$ 1,126</u>	<u>\$ 30,958</u>	<u>\$ 600,291</u>	<u>\$ 243</u>	<u>\$ 106,265</u>	<u>\$ 51,244</u>	<u>\$ 301,814</u>	<u>\$ 3,063</u>	<u>\$ 1,093,878</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,697	\$ 2,697
Deposits	-	-	-	-	-	-	293,240	-	293,240
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,240</u>	<u>\$ 2,697</u>	<u>\$ 295,937</u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Other Post Employment Benefit (OPEB) Trust Fund	Pension Trust Fund	Total
ASSETS			
Cash and Investments	\$ 2,342,412	\$ 1,328,259	\$ 3,670,671
 LIABILITIES			
	\$ -	\$ -	-
 NET POSITION			
Restricted for:			
Postemployment Benefits other than Pensions	2,342,412	-	2,342,412
Pensions	-	1,328,259	1,328,259
Total Net Position	\$ 2,342,412	\$ 1,328,259	\$ 3,670,671

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	<u>Other Post Employment Benefit (OPEB) Trust Fund</u>	<u>Pension Trust Fund</u>	<u>Total</u>
ADDITIONS			
Employer Contributions	\$ 692,713	\$ 1,250,000	\$ 1,942,713
Investment earnings	142,931	80,900	223,831
Total additions	<u>835,644</u>	<u>1,330,900</u>	<u>2,166,544</u>
DEDUCTIONS			
Administrative expenses	4,990	2,641	7,631
CHANGE IN FIDUCIARY NET POSITION			
Net Increase (Decrease)	830,654	1,328,259	2,158,913
Net Position - beginning	<u>1,511,758</u>	<u>-</u>	<u>1,511,758</u>
Net Position - end of year	<u><u>\$ 2,342,412</u></u>	<u><u>\$ 1,328,259</u></u>	<u><u>\$ 3,670,671</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Note 1 - Defining the Financial Reporting Entity

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Financial Statements

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

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

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

Fund Accounting

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

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

The funds of the Town are described as follows:

Governmental Funds

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

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

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

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

Fiduciary Funds

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

Major Funds

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

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

Basis of Accounting and Measurement Focus

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

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

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

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

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

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

Cash and Investments

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

Restricted Assets

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

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

differ from those estimates.

Receivables and Payables

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

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

Allowance for Doubtful Accounts

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

Capital Assets

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

Compensated Absences

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

Long-term Obligations

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

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

Net Position and Fund Balances

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

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

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

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

Other Postemployment Benefits Plan (OPEB)

In government-wide financial statements, as required by GASB Statement No. 75, OPEB plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position (*plan assets owned*) as reflected in the actuarial report provided by the plan actuarial analyst. The net OPEB liability is measured as of the Town's prior fiscal year-end. Changes in the net OPEB

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

liability are recorded, in the period incurred, as OPEB expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective OPEB plan and are recorded as a component of OPEB expense beginning with the period in which they are incurred.

Pension Plan

In government-wide financial statements, as required by GASB Statement No. 68, retirement plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

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

Property Taxes

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

- Property Valuations - are established by the Assessor of Marin County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- Tax Levies - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.
- Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.
- Tax Collections - are the responsibility of the Marin County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

- Tax Levy Apportionments - due to the nature of the Town-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total Town-wide levy for the three fiscal years prior to fiscal year 1979.
- Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

Note 3 - Stewardship, Compliance and Accountability

Budgetary Information

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

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

Economic Dependency

In fiscal year 2018-19, the Town received 53% of its total general fund revenue from one source; property taxes. Any reduction in assessed property values or reductions in the Town's property tax share due to the State's ongoing budget issues could impair the Town's operating budget.

Revenue Limitations Imposed By California Proposition 218

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Note 4 - Cash and Investments

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

Statement of Net Position	
Cash and investments	\$ 22,982,129
Statement of Fiduciary Assets	
Cash and investments with Town	1,037,124
Cash investments held by fiscal agent	56,754
	<u>\$ 24,076,007</u>
Cash and Investments are comprised of the following:	
Deposits with financial institutions:	
checking accounts	\$ (177,726)
Investment in State Investment Pool	24,196,979
US Treasury money market funds	56,754
	<u>\$ 24,076,007</u>

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits on an annual basis. At fiscal year-end PMIA had approximately \$106 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer.

The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the maturity date and yield of each investment:

		<u>Maturity / Yield</u>
State investment pool (LAIF)	\$24,196,979	6 months average maturity, 2.4% yield
Trustee money market funds	56,754	due on demand, 0.30% yield

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Disclosures Relating to Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies." California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At fiscal year end the Town had \$113,064 that was not covered by depository insurance but collateralized by either marketable securities, first trust deed mortgage notes, or a combination of both.

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

Note 5 - Long-term Obligations

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

	Beginning	Additions	Reductions	End of Year	Due Within One Year
Compensated Absences	\$ 318,098	\$ 14,986	\$ -	\$ 333,084	\$ 83,271
Postemployment Benefits	2,191,047	34,693	-	2,225,740	
Net Pension Liability	8,168,481	-	(233,673)	7,934,808	
	<u>\$ 10,677,626</u>	<u>\$ 49,679</u>	<u>\$ (233,673)</u>	<u>\$ 10,493,632</u>	

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Non-depreciable Assets</u>				
Land	\$ 4,087,952	\$ -	\$ -	\$ 4,087,952
<u>Depreciable Assets</u>				
Buildings and improvements	5,965,293	3,025,187	(187,467)	8,803,013
Furniture and equipment	2,935,403	-	(198,718)	2,736,685
Infrastructure	60,072,194	10,166,342	(7,909,840)	62,328,696
	68,972,890	13,191,529	(8,296,025)	73,868,394
<u>Accumulated Depreciation</u>	(33,762,015)	(2,061,597)	(6,047,802)	(41,871,414)
Depreciable assets, net	35,210,875	11,129,932	(14,343,827)	31,996,980
<u>Net Capital Assets</u>	\$ 39,298,827	\$ 11,129,932	\$ (14,343,827)	\$ 36,084,932

Note 7 - Special Assessment District Bond Obligations

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

In 2016, the Board of Directors of the Tiburon Public Financing Authority determined that it was in the best interest of the Town and the various Special Assessment Districts to refund the existing bonds issued by several Special Assessment Districts which will result in savings in effective interest rates, thereby resulting in significant public benefits to the Town and the Authority within the contemplation of Section 6586 of the California Bond Law. The Board authorized the issuance and sale of \$10,505,000 revenue bonds for the purpose of financing the acquisition of reassessment bonds for the Town of Tiburon 2016 Consolidated Reassessment District.

At fiscal year end, the outstanding balance of the "Town of Tiburon Limited Obligation Refunding Bonds 2016 Consolidated Reassessment District" was \$9,755,000.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Note 8 - Interfund Transfers

Operating interfund transfers for the fiscal year comprise the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund 101	\$ 118,167	\$ 2,400,000
Police COPS grant	-	118,167
Reserve - Retirement obligation	250,000	-
Reserve - OPEB obligation	400,000	-
Reserve - PW Corp Yard	500,000	-
Reserve - Park improvements	750,000	-
Reserve - Street & Drainage	500,000	-
	<u>\$ 2,518,167</u>	<u>\$ 2,518,167</u>

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

Overview of the Plan

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

Plan Description and Eligibility

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

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

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

- 15 – 19 years of service 50%
- 20 – 24 years of service 75%

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

25 or more years of service 100%

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

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms:

Active employees	37
Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to, but not yet receiving benefits	-
Total	58

Contributions

The obligation of the Town to contribute to the plan is established and may be amended by the Town Council. The contribution required to be made is based on a pay-as-you-go basis (ie, as medical insurance premiums become due). The employer cash contributions totaled \$174,596 for the year.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
Reporting Date	June 30, 2019

Actuarial Assumptions:

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

Funded Status

Total OPEB Plan Liability	\$ 3,737,498
Plan Fiduciary Net Position (<i>plan assets owned</i>)	1,511,758
Net OPEB Plan Liability	2,225,740
OPEB plan expense for the fiscal year	206,693

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% which the Actuary has determined is a reasonable long-term assumption of the Town's expected return on its investments. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of June 30, 2018 are as follows.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

(1) JP Morgan Long-term Capital Market assumptions and expected infl

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

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

	Discount Rate -1%	Current Rate	Discount Rate +1%
	5.50%	6.50%	7.50%
Net OPEB liability / (assets)	\$2,702,412	\$2,225,740	\$1,829,480

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

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

	Current Trend -1%	Current Trend	Current Trend +1%
	5.50%	Rate 6.5%	7.50%
Net OPEB liability / (assets)	\$1,943,731	\$2,225,740	\$2,566,640

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ -	\$ -
Differences between projected and actual experience	-	80,642
Changes of assumptions	-	1,645,573
Net difference between projected and actual earnings of OPEB Plan investments	-	42,329
Totals	\$ -	\$ 1,768,544

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

<u>Year Ending June 30:</u>	
2020	\$ (311,585)
2021	(311,585)
2022	(311,586)
2023	(296,977)
2024	(297,351)
thereafter	<u>(239,460)</u>
	<u>\$ (1,768,544)</u>

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

Overview of the Plan

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

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan:

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2019 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website: <https://www.calpers.ca.gov>

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process.

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Reporting Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Straight-line amortization over 5-year period
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% net of investment expenses
Post Retirement Benefit Increase	Contract COLA up to 2.5%

Funded Status

Total Pension Plan Liability	\$ 36,107,449
Plan Fiduciary Net Position (<i>plan assets owned</i>)	28,172,641
Net Pension Plan Liability	7,934,808
Pension plan expense for the fiscal year	\$ 912,564

Discount Rate

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

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

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

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

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

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

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

	Discount Rate -1%	Current Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 12,863,456	\$ 7,934,808	\$ 3,880,864

Deferred Outflows/Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,247	\$ (25,799)
Changes of assumptions	841,984	(163,754)
Net differences between projected and actual investment earnings	46,427	-
Change in employer's proportion	221,885	(152,832)
Differences between employer's contributions and the employer's proportionate share of contributions	-	(284,307)
Pension contributions subsequent to measurement date	807,481	-
Totals	\$ 2,129,024	\$ (626,692)

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

Year Ending June 30:	
2020	\$ 619,639
2021	351,249
2022	(212,820)
2023	(63,219)

Note 11 - Commitments and Contingencies

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

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

At June 30, 2019, the Town was in contract for a road construction project in the amount of \$1,125,396 of which \$704,807 has been paid, with a remaining unpaid balance of \$420,590. The project is expected to be completed by December 31, 2019.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Note 12 - Risk Management

General Liability

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

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

Workers' Compensation

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

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

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

Note 13 - Subsequent Events

The management of the Town has reviewed the results of operations for the period from its year end June 30, 2019 through January 3, 2020, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 14 - New Pronouncements

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

GASB Statement No. 84, Fiduciary Activities

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. (Issued 01/17)

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, Leases

Effective Date: For reporting periods beginning after December 15, 2019. (Issued 06/17)

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

TOWN OF TIBURON
Notes to Financial Statements
June 30, 2019

Note 15 - Fund Balance Designations Section of the Balance Sheet (page 14)

<u>Governmental Fund Balances</u>	<u>General Fund</u>	<u>Tiburon Street Impact Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Streets and sidewalks	-	2,683,891	-	2,683,891
Parks in-lieu	-	-	39,433	39,433
Open space acquisition	-	-	203,538	203,538
Planning area mitigation	-	-	194,474	194,474
Storm water run-off	-	-	73,597	73,597
Circulation system improvement	-	-	132,337	132,337
Bunch grass mitigation	-	-	137,767	137,767
Police law enforcement	-	-	37,234	37,234
Cypress Hollow LLD	-	-	22,402	22,402
Measure A sales tax parks	-	-	63,385	63,385
Gas tax - streets/sidewalks	-	-	1,747,613	1,747,613
Measure A sales tax TAM	-	-	336,889	336,889
Measure B sales tax streets	-	-	113,532	113,532
State RMRA	-	-	152,565	152,565
Total restricted fund balances	<u>-</u>	<u>2,683,891</u>	<u>3,254,766</u>	<u>5,938,657</u>
Committed to:				
Operating reserve	3,000,000	-	-	3,000,000
Reserve employee leave	171,952	-	-	171,952
Reserve PW facility	3,581,633	-	-	3,581,633
Reserve self insurance	250,004	-	-	250,004
Reserve capital equipment	484,177	-	-	484,177
Reserve technology equipment	610,233	-	-	610,233
Reserve park improvements	603,766	-	-	603,766
Reserve open space mgmt	25,141	-	-	25,141
Reserve disaster response	47,277	-	-	47,277
Reserve streets & drainage	1,847,880	-	-	1,847,880
Reserve infrastructure	1,151,126	-	-	1,151,126
Long-range planning	-	-	363,270	363,270
LMI Housing	-	-	1,221,450	1,221,450
Total committed fund balances	<u>11,773,189</u>	<u>-</u>	<u>1,584,720</u>	<u>13,357,909</u>
Assigned:				
Town owned housing units	-	-	179,109	179,109
Heritage & Arts project	-	-	5,450	5,450
Playground equipment	-	-	2,030	2,030
Paula Little Flower fund	-	-	27,211	27,211
Total assigned fund balances	<u>-</u>	<u>-</u>	<u>213,800</u>	<u>213,800</u>
Unassigned	<u>2,975,687</u>	<u>-</u>	<u>-</u>	<u>2,975,687</u>
Total Fund Balances	<u>\$ 14,748,876</u>	<u>\$ 2,683,891</u>	<u>\$ 5,053,286</u>	<u>\$ 22,486,053</u>

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Year Ended June 30, 2019

Schedule of Proportionate Share of the Net Pension Liability

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

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

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

Schedule of Contributions

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

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 5 Fiscal Years *

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

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

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

** for the measurement date fiscal year

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

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

For Reporting at Fiscal Year End June 30:	2019	2018
Measurement Date - Fiscal Year Ending June 30:	2018	2017
<hr/>		
<u>Total OPEB Liability</u>		
Service cost	\$ 102,141	\$ 224,595
Interest	235,026	163,787
Changes of benefit terms	-	65,466
Differences between expected and actual experience	(44,718)	(56,071)
Changes of assumptions	-	(2,279,851)
Benefit payments	(135,075)	(119,394)
Net Change in Total OPEB Liability	157,374	(2,001,468)
Total OPEB Liability - beginning	3,580,124	5,581,592
Total OPEB Liability - ending (a)	<u>3,737,498</u>	<u>3,580,124</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - employer	174,596	1,409,411
Net investment income	89,398	98,547
Administrative expenses	(3,642)	(2,083)
Benefit payments	(135,075)	(119,394)
Net Change in Plan Fiduciary Net Position	125,277	1,386,481
Plan Fiduciary Net Position - beginning	1,386,481	-
Plan Fiduciary Net Position - ending (b)	<u>1,511,758</u>	<u>1,386,481</u>
<u>Plan Net OPEB Liability - ending (a) - (b)</u>	<u>\$ 2,225,740</u>	<u>\$ 2,193,643</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	40%	39%
Covered-employee payroll	\$ 3,753,084	\$ 3,853,068
Net OPEB liability as a percentage of covered-employee payroll	59%	57%
<u>Schedule of OPEB Contributions</u>		
Actuarially determined contributions	\$ 257,809	\$ 318,222
Contributions in relation to the actuarially determined contribution	174,596	1,409,411
Contribution deficiency (excess)	<u>\$ 83,213</u>	<u>\$ (1,091,189)</u>
Covered-employee payroll	\$ 3,753,084	\$ 3,853,068
Contributions as a percentage of covered-employee payroll	6.87%	8.26%

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

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
Year Ended June 30, 2019

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

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

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
General Fund
Year Ended June 30, 2019

Resources (inflows)	Budget Amounts (unaudited)		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Property taxes	\$ 5,824,784	\$ 5,824,784	\$ 6,131,237	\$ 306,453
Other taxes	1,634,876	1,634,876	1,638,725	3,849
Franchise fees	808,000	808,000	752,716	(55,284)
Fines and forfeitures	116,000	116,000	408,687	292,687
Investment earnings	200,050	200,050	329,964	129,914
Intergovernmental and agency	96,008	96,008	269,938	173,930
Licenses and permits	995,900	995,900	991,374	(4,526)
Charges for services	667,000	667,000	664,113	(2,887)
Other revenue	123,633	123,633	381,175	257,542
Transfers in	2,400,000	2,400,000	2,400,000	-
Amounts Available for Appropriation	<u>12,866,251</u>	<u>12,866,251</u>	<u>13,967,929</u>	<u>1,101,678</u>
Charges to Appropriations (outflow)				
Town administration	1,833,950	1,833,950	1,682,970	150,980
Community development	1,318,290	1,318,290	1,288,776	29,514
Public safety	3,484,389	3,484,389	3,178,101	306,288
Public works	2,054,143	2,054,143	1,842,658	211,485
Legislative boards	106,750	106,750	75,656	31,094
Non-departmental	1,540,062	1,540,062	3,189,945	(1,649,883)
Capital improvement projects	4,139,305	4,139,305	2,015,747	2,123,558
Transfers out	2,400,000	2,400,000	2,400,000	-
Total Charges to Appropriations	<u>16,876,889</u>	<u>16,876,889</u>	<u>15,673,853</u>	<u>1,203,036</u>
Surplus (Deficit)	<u>\$ (4,010,638)</u>	<u>\$ (4,010,638)</u>	<u>\$ (1,705,924)</u>	<u>\$ 2,304,714</u>

TOWN OF TIBURON
Required Supplementary Information (unaudited)
Budgetary Comparison Information
Tiburon Street Impact Fund
Year Ended June 30, 2019

Resources (inflows)	Budget Amounts (unaudited)		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Franchise fees	-	-	-	-
Fines and penalties	-	-	-	-
Investment earnings	26,432	26,432	62,367	35,935
Intergovernmental and agency	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	425,000	425,000	539,660	114,660
Other revenue	-	-	-	-
Transfers in	-	\$ -	-	-
Amounts Available for Appropriation	<u>451,432</u>	<u>451,432</u>	<u>602,027</u>	<u>150,595</u>
Charges to Appropriations (outflow)				
Town administration	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Legislative boards	-	-	-	-
Non-departmental	-	-	-	-
Capital improvement projects	1,582,126	1,582,126	848,304	733,822
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>1,582,126</u>	<u>1,582,126</u>	<u>848,304</u>	<u>733,822</u>
Surplus (Deficit)	<u>\$ (1,130,694)</u>	<u>\$ (1,130,694)</u>	<u>\$ (246,277)</u>	<u>\$ 884,417</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF TIBURON
General Fund
Combining Balance Sheet
June 30, 2019

	General Fund	Reserve Employee Comp Leave	Reserve Retirement Obligation	Reserve PW Corp Yard Imp	Reserve OPEB Obligation	Reserve Self Insurance	Reserve Capital Equipment	Reserve Technology Equipment	Reserve Park Improvements	Reserve Open Space Mgmt.	Reserve Disaster Response	Reserve Streets & Drainage	Reserve Infrastructure	TOTALS
ASSETS														
Cash & investments	\$ 6,173,148	\$ 171,952	\$ -	\$ 3,581,633	\$ -	\$ 473,004	\$ 484,177	\$ 610,233	\$ 628,766	\$ 25,141	\$ 47,277	\$ 1,830,446	\$ 1,151,126	\$ 15,176,903
Receivables	688,344	-	-	-	-	-	-	-	-	-	-	17,500	-	705,844
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>\$ 6,861,492</u>	<u>\$ 171,952</u>	<u>\$ -</u>	<u>\$ 3,581,633</u>	<u>\$ -</u>	<u>\$ 473,004</u>	<u>\$ 484,177</u>	<u>\$ 610,233</u>	<u>\$ 628,766</u>	<u>\$ 25,141</u>	<u>\$ 47,277</u>	<u>\$ 1,847,946</u>	<u>\$ 1,151,126</u>	<u>\$ 15,882,747</u>
LIABILITIES														
Accounts payable	\$ 246,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ -	\$ 246,435
Accrued liabilities	-	-	-	-	-	223,000	-	-	-	-	-	-	-	223,000
Deposits	639,436	-	-	-	-	-	-	-	25,000	-	-	-	-	664,436
Totals	<u>885,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>1,133,871</u>
FUND BALANCES														
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	3,000,000	171,952	-	3,581,633	-	250,004	484,177	610,233	603,766	25,141	47,277	1,847,880	1,151,126	11,773,189
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	2,975,687	-	-	-	-	-	-	-	-	-	-	-	-	2,975,687
Totals	<u>5,975,687</u>	<u>171,952</u>	<u>-</u>	<u>3,581,633</u>	<u>-</u>	<u>250,004</u>	<u>484,177</u>	<u>610,233</u>	<u>603,766</u>	<u>25,141</u>	<u>47,277</u>	<u>1,847,880</u>	<u>1,151,126</u>	<u>14,748,876</u>
Total Liabilities & Fund Balances	<u>\$ 6,861,492</u>	<u>\$ 171,952</u>	<u>\$ -</u>	<u>\$ 3,581,633</u>	<u>\$ -</u>	<u>\$ 473,004</u>	<u>\$ 484,177</u>	<u>\$ 610,233</u>	<u>\$ 628,766</u>	<u>\$ 25,141</u>	<u>\$ 47,277</u>	<u>\$ 1,847,946</u>	<u>\$ 1,151,126</u>	<u>\$ 15,882,747</u>

TOWN OF TIBURON
General Fund
Combining Statement of Revenue, Expenditures, and Change in Fund Balances
Year Ended June 30, 2019

	General Fund	Reserve Employee Comp Leave	Reserve Retirement Obligation	Reserve PW Corp Yard Imp	Reserve OPEB Obligation	Reserve Self Insurance	Reserve Capital Equipment	Reserve Technology Equipment	Reserve Park Improvements	Reserve Open Space Mgmt.	Reserve Disaster Response	Reserve Streets & Drainage	Reserve Infrastructure	TOTALS
REVENUE														
Property taxes	\$ 6,131,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,131,237
Other taxes	1,638,725	-	-	-	-	-	-	-	-	-	-	-	-	1,638,725
Franchise fees	665,216	-	-	-	-	-	-	-	-	-	-	87,500	-	752,716
Fines and penalties	408,687	-	-	-	-	-	-	-	-	-	-	-	-	408,687
Investment earnings	329,964	-	-	-	-	-	-	-	-	-	-	-	-	329,964
Intergovernmental & agency	111,286	-	-	-	-	-	-	-	40,485	-	-	-	-	151,771
Licenses and permits	991,374	-	-	-	-	-	-	-	-	-	-	-	-	991,374
Charges for services	664,113	-	-	-	-	-	-	-	-	-	-	-	-	664,113
Other revenue	90,763	-	-	-	-	-	129,641	160,771	-	-	-	-	-	381,175
Total Revenue	11,031,365	-	-	-	-	-	129,641	160,771	40,485	-	-	87,500	-	11,449,762
EXPENDITURES														
Current -														
Town administration	1,551,437	55,871	-	-	-	-	-	75,662	-	-	-	-	-	1,682,970
Community development	1,211,832	22,986	-	-	-	-	27,266	26,692	-	-	-	-	-	1,288,776
Public safety	3,160,047	9,474	-	-	-	-	-	8,580	-	-	-	-	-	3,178,101
Public works	1,684,537	2,224	-	-	-	-	76,559	26,615	-	-	52,723	-	-	1,842,658
Legislative boards	75,656	-	-	-	-	-	-	-	-	-	-	-	-	75,656
Non-departmental	1,489,945	-	1,050,000	-	650,000	-	-	-	-	-	-	-	-	3,189,945
Capital Projects	177,787	-	-	30,000	-	-	-	-	1,337,346	-	-	380,368	90,246	2,015,747
Total Expenditures	9,351,241	90,555	1,050,000	30,000	650,000	-	103,825	137,549	1,337,346	-	52,723	380,368	90,246	13,273,853
Excess Revenue over (under) Expenditures	1,680,124	(90,555)	(1,050,000)	(30,000)	(650,000)	-	25,816	23,222	(1,296,861)	-	(52,723)	(292,868)	(90,246)	(1,824,091)
OTHER FINANCING SOURCES														
Operating transfers in	118,167	-	250,000	500,000	400,000	-	-	-	750,000	-	-	500,000	-	2,518,167
Operating transfers (out)	(2,400,000)	-	-	-	-	-	-	-	-	-	-	-	-	(2,400,000)
Total Other Sources (Uses)	(2,281,833)	-	250,000	500,000	400,000	-	-	-	750,000	-	-	500,000	-	118,167
CHANGE IN FUND BALANCES	(601,709)	(90,555)	(800,000)	470,000	(250,000)	-	25,816	23,222	(546,861)	-	(52,723)	207,132	(90,246)	(1,705,924)
Fund Balances - Beginning	6,577,396	262,507	800,000	3,111,633	250,000	250,004	458,361	587,011	1,150,627	25,141	100,000	1,640,748	1,241,372	16,454,800
Fund Balances - End of Year	<u>\$ 5,975,687</u>	<u>\$ 171,952</u>	<u>\$ -</u>	<u>\$ 3,581,633</u>	<u>\$ -</u>	<u>\$ 250,004</u>	<u>\$ 484,177</u>	<u>\$ 610,233</u>	<u>\$ 603,766</u>	<u>\$ 25,141</u>	<u>\$ 47,277</u>	<u>\$ 1,847,880</u>	<u>\$ 1,151,126</u>	<u>\$ 14,748,876</u>

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Capital Projects Funds:												Total Capital Project Funds
	Town owned Housing Units	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu	Open Space Acquisition	Planning Area Mitigation	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Street Frontage Improvement	Tiburon Long Range Planning	
ASSETS													
Cash & investments	\$ 188,399	\$ 5,450	\$ 1,221,450	\$ -	\$ 69,433	\$ 203,538	\$ 194,474	\$ 93,597	\$ 132,337	\$ 137,767	\$ 2	\$ 363,268	\$ 2,609,715
Receivables	-	-	-	2,030	-	-	-	-	-	-	-	-	2,030
Totals	<u>\$ 188,399</u>	<u>\$ 5,450</u>	<u>\$ 1,221,450</u>	<u>\$ 2,030</u>	<u>\$ 69,433</u>	<u>\$ 203,538</u>	<u>\$ 194,474</u>	<u>\$ 93,597</u>	<u>\$ 132,337</u>	<u>\$ 137,767</u>	<u>\$ 2</u>	<u>\$ 363,268</u>	<u>\$ 2,611,745</u>
LIABILITIES													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	30,000	-	-	20,000	-	-	-	-	50,000
Deposits - tenants	9,290	-	-	-	-	-	-	-	-	-	-	-	9,290
Totals	<u>9,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,290</u>
FUND BALANCES													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	39,433	203,538	194,474	73,597	132,337	137,767	-	-	781,146
Committed	-	-	1,221,450	-	-	-	-	-	-	-	2	363,268	1,584,720
Assigned	179,109	5,450	-	2,030	-	-	-	-	-	-	-	-	186,589
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>179,109</u>	<u>5,450</u>	<u>1,221,450</u>	<u>2,030</u>	<u>39,433</u>	<u>203,538</u>	<u>194,474</u>	<u>73,597</u>	<u>132,337</u>	<u>137,767</u>	<u>2</u>	<u>363,268</u>	<u>2,552,455</u>
Total Liabilities & Fund Balances	<u>\$ 188,399</u>	<u>\$ 5,450</u>	<u>\$ 1,221,450</u>	<u>\$ 2,030</u>	<u>\$ 69,433</u>	<u>\$ 203,538</u>	<u>\$ 194,474</u>	<u>\$ 93,597</u>	<u>\$ 132,337</u>	<u>\$ 137,767</u>	<u>\$ 2</u>	<u>\$ 363,268</u>	<u>\$ 2,611,745</u>

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds:								Total	Total	Total
	Police	Cypress		Measure A	State	Measure A	Measure B		Special	Capital	Nonmajor
	Supp Law	Hollow	Paula Little	Sales Tax	Gasoline	Sales Tax	VLF	State	Revenue	Project	Governmental
	Enforcement	LLD-98	Flower Fund	Parks	Tax	TAM	Roads	RMRA	Funds	Funds	Funds
ASSETS											
Cash & investments	\$ 37,234	\$ 22,402	\$ 27,211	\$ 63,385	\$ 1,747,613	\$ 336,889	\$ 113,532	\$ 152,565	\$ 2,500,831	\$ 2,609,715	\$ 5,110,546
Receivables	-	-	-	-	-	-	-	-	-	2,030	2,030
Totals	<u>\$ 37,234</u>	<u>\$ 22,402</u>	<u>\$ 27,211</u>	<u>\$ 63,385</u>	<u>\$ 1,747,613</u>	<u>\$ 336,889</u>	<u>\$ 113,532</u>	<u>\$ 152,565</u>	<u>\$ 2,500,831</u>	<u>\$ 2,611,745</u>	<u>\$ 5,112,576</u>
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	50,000	50,000
Deposits - tenants	-	-	-	-	-	-	-	-	-	9,290	9,290
Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,290</u>	<u>59,290</u>
FUND BALANCES											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	37,234	22,402	-	63,385	1,747,613	336,889	113,532	152,565	2,473,620	781,146	3,254,766
Committed	-	-	-	-	-	-	-	-	-	1,584,720	1,584,720
Assigned	-	-	27,211	-	-	-	-	-	27,211	186,589	213,800
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>37,234</u>	<u>22,402</u>	<u>27,211</u>	<u>63,385</u>	<u>1,747,613</u>	<u>336,889</u>	<u>113,532</u>	<u>152,565</u>	<u>2,500,831</u>	<u>2,552,455</u>	<u>5,053,286</u>
Total Liabilities & Fund Balances	<u>\$ 37,234</u>	<u>\$ 22,402</u>	<u>\$ 27,211</u>	<u>\$ 63,385</u>	<u>\$ 1,747,613</u>	<u>\$ 336,889</u>	<u>\$ 113,532</u>	<u>\$ 152,565</u>	<u>\$ 2,500,831</u>	<u>\$ 2,611,745</u>	<u>\$ 5,112,576</u>

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Change in Fund Balances
Year Ended June 30, 2019

	Capital Project Funds:												Total Capital Project Funds
	Town owned Housing Units	Heritage & Arts Project	Town's LMI Housing	Tiburon Playground Improvement	Tiburon Parks In-Lieu	Open Space Acquisition	Planning Area Mitigation	Storm Water Run Off	Circulation System Improvement	Bunch Grass Mitigation	Street Frontage Improvement	Tiburon Long Range Planning	
REVENUE													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	9,849	122	29,119	-	1,350	4,792	4,504	1,235	2,817	3,239	-	7,848	64,875
Intergovernmental & agency	-	776	-	-	-	-	-	-	-	-	-	-	776
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	118,150	243	-	-	-	-	-	47,696	17,392	-	-	49,170	232,651
Total Revenue	127,999	1,141	29,119	-	1,350	4,792	4,504	48,931	20,209	3,239	-	57,018	298,302
EXPENDITURES													
Current -													
Town administration	-	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-
Legislative boards	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-departmental	333,020	-	22,672	-	-	-	-	-	-	-	-	-	355,692
Capital improvement projects	9,530	-	-	-	-	-	-	-	-	-	-	-	9,530
Total Expenditures	342,550	-	22,672	-	-	-	-	-	-	-	-	-	365,222
Excess Revenue over (under) Expenditures	(214,551)	1,141	6,447	-	1,350	4,792	4,504	48,931	20,209	3,239	-	57,018	(66,920)
OTHER FINANCING SOURCES													
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN FUND BALANCES	(214,551)	1,141	6,447	-	1,350	4,792	4,504	48,931	20,209	3,239	-	57,018	(66,920)
Fund Balances - Beginning	393,660	4,309	1,215,003	2,030	38,083	198,746	189,970	24,666	112,128	134,528	2	306,250	2,619,375
Fund Balances - End of Year	\$ 179,109	\$ 5,450	\$ 1,221,450	\$ 2,030	\$ 39,433	\$ 203,538	\$ 194,474	\$ 73,597	\$ 132,337	\$ 137,767	\$ 2	\$ 363,268	\$ 2,552,455

TOWN OF TIBURON
Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Change in Fund Balances
Year Ended June 30, 2019

	Special Revenue Funds:							Total	Total	Total	
	Police	Cypress	Measure A	State	County	Measure B	State	Special	Capital	Nonmajor	
	Supp Law	Hollow	Paula Little	Parks	Gasoline	Measure A	VLF	Revenue	Project	Governmental	
	Enforcement	LLD-98	Flower Fund	Sales Tax	Tax	Sales Tax	Roads	RMRA	Funds	Funds	Funds
REVENUE											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other taxes	-	-	-	74,898	210,227	114,275	-	399,400	-	399,400	
Franchise fees	-	-	-	-	-	-	-	-	-	-	
Fines and penalties	-	-	-	-	-	-	-	-	-	-	
Investment earnings	-	681	625	1,363	38,661	7,572	2,683	53,282	64,875	118,157	
Intergovernmental & agency	155,401	-	12,500	-	-	-	-	165,503	333,404	776	334,180
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	16,544	-	-	-	-	-	16,544	-	16,544	
Other revenue	-	-	-	-	-	-	-	-	232,651	232,651	
Total Revenue	155,401	17,225	13,125	76,261	248,888	121,847	2,683	167,200	802,630	298,302	1,100,932
EXPENDITURES											
Current -											
Town administration	-	-	-	-	1,541	-	-	-	1,541	-	1,541
Community development	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works	-	25,193	8,402	82,525	19,316	-	-	-	135,436	-	135,436
Legislative boards	-	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	355,692	355,692
Capital improvement projects	-	-	-	-	81,691	53,969	-	50,364	186,024	9,530	195,554
Total Expenditures	-	25,193	8,402	82,525	102,548	53,969	-	50,364	323,001	365,222	688,223
Excess Revenue over (under) Expenditures	155,401	(7,968)	4,723	(6,264)	146,340	67,878	2,683	116,836	479,629	(66,920)	412,709
OTHER FINANCING SOURCES											
Operating transfers in (out)	(118,167)	-	-	-	-	-	-	-	(118,167)	-	(118,167)
Total Other Sources (Uses)	(118,167)	-	-	-	-	-	-	-	(118,167)	-	(118,167)
CHANGE IN FUND BALANCES	37,234	(7,968)	4,723	(6,264)	146,340	67,878	2,683	116,836	361,462	(66,920)	294,542
Fund Balances - Beginning	-	30,370	22,488	69,649	1,601,273	269,011	110,849	35,729	2,139,369	2,619,375	4,758,744
Fund Balances - End of Year	\$ 37,234	\$ 22,402	\$ 27,211	\$ 63,385	\$ 1,747,613	\$ 336,889	\$ 113,532	\$ 152,565	\$ 2,500,831	\$ 2,552,455	\$ 5,053,286

