

BELVEDERE-TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency
of the Town of Tiburon and the City of Belvedere and
A California Community Facilities District)
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

This Page Left Intentionally Blank

**BELVEDERE-TIBURON LIBRARY AGENCY
 BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2024**

Table of Contents

	<u>Page</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Fund	14
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund – General Fund	16
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position	17
Notes to the Basic Financial Statements	19
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund.....	42
Pension Plan:	
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date	43
Schedule of Contributions	44
Other Post-Employment Benefit Plan:	
Schedule of Changes in the Total OPEB Liability and Related Ratios	45

This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Belvedere-Tiburon Library Agency
Tiburon, California

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of the Belvedere-Tiburon Library Agency (Agency), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and General Fund of the Agency as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 historical 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.



Pleasant Hill, California
January 27, 2025

BELVEDERE TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
OVERVIEW OF FINANCIAL STATEMENTS

The Agency's basic financial statements are comprised of four components: government-wide financial statements, governmental funds financial statements, notes to the financial statements, and supplementary information.

Government-wide financial statements are found on pages 6-7 and 12-13. The Government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business. There are two government-wide financial statements: The Statement of Net Position and the Statement of Activities and Changes in Net Position. These statements include Capital Asset and Long-Term Liability activities.

The Statement of Net Position presents information on all of the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. **(See Pages 6 and 12).**

The Statement of Activities presents information showing how the Agency's net position changed during the fiscal year. Revenue and Expense are accrued in the period incurred, regardless of when cash is received or paid. As in a private-sector business, capital assets are depreciated, principal payments on debt are not an expense, and compensated absences and other post-employment benefits are expensed in the period earned. **(See Pages 7 and 13).**

Governmental Funds (General Fund) Statements are found on pages 8-9 and 14 and 16. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The governmental funds statements do not include Capital Assets and Long-Term Liabilities and thus are designed to illustrate the Agency's basic Operating Activities and Position.

Reconciliations between the two types of financial statements are found on pages 15 and 17. The major differences between fund financial statements and government-wide financial statements are the inclusion (Government-Wide) or exclusion (General Fund) of Long-Term Assets and Liabilities, including Capital Outlay, Debt Service, Bond issuance Costs, Compensated Absences, Retirement Costs, and OPEB (Other Post-Employment Benefits).

Notes to the basic financial statements are found on pages 19-40. The notes provide additional information and detail that is essential to a full understanding of the data provided in the financial statements.

Required supplementary information is found on pages 42-45. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information: A Budget-to-Actual Results Comparison, CalPERS Pension Plan Information, and CalPERS Post-Employment Health Plan Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
FINANCIAL HIGHLIGHTS

Statement of Net Position on Pages 6 and 12.

The Government-Wide Statement of Net Position shows the Agency's **Assets of \$21,968,782**; Deferred Outflows of \$943,430; **Liabilities of \$2,603,296**; Deferred Inflows of \$344,861; and a **Net Position of \$19,964,055** as of June 30, 2024.

Assets consist primarily of Net Capital Assets of \$18,977,166 which is 86% of Total Assets.

Cash, Cash Equivalents, and Investments of \$2,586,355 account for 12% of the Agency's Total Assets.

Liabilities consist primarily of Net Pension and OPEB Liabilities of \$2,111,739 which is 81% of Total Liabilities, along with CFD Bonds payable, copier capital lease obligations, compensated absences, and operating accounts payable.

Expansion Line of Credit Principal of \$2,694,747 was paid off completely as of January 25, 2024. This payoff **substantially reduced the Agency's Cash, Cash Equivalents, and Investments, while also reducing future interest obligations.**

The Agency currently has adequate cash and income to cover current year liabilities and operations, and is in the process of planning for longer-term liabilities.

Statement of Activities on Pages 7 and 13.

Total Revenues were \$3,913,449 (\$3,414,746 General Revenues, Program Revenues \$291,725, and Capital Revenues \$207,428). **Total Expenses were \$4,086,133**, including Operating Services of \$3,062,611, Depreciation on Capitalized Assets of \$918,497, and Debt Service Expense of \$105,025.

Operating Revenues totaled \$3,706,021 (General Revenues \$3,414,746, Charges for Services \$11,666, and Operating Designated Grants of \$279,609). Operating Expenses (before Depreciation on Capitalized assets of \$917,497) were \$3,167,636. **Net Operating Activity before Depreciation on Capitalized Assets was \$538,835. Net Operating Activity after Depreciation on Capitalized Assets was \$(380,112).**

Capital grant revenue and contributions totaled \$207,428. Combined with the Net Operating Activity after Depreciation of \$(380,112), this provided a Total change in Net Position of \$(172,684).

From the Governmental General Funds Statement of Revenues, Expenditures, and Changes in Fund Balances on Pages 14 and 16 and the Required Supplementary Budget Analysis on Page 42.

General fund balances decreased by \$(2,314,294), a variance of \$(1,516,875) from budget, due to Operating Revenues over budget by \$207,519 Expansion Capital Grants over budget by \$207,428, Operating Expenditures under budget by \$402,213, and combined LOC payments (early payoff) over budget by \$2,242,960.

Operations: Library Operating activity resulted in a Net Income of \$604,313, which was \$609,732 over budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
FINANCIAL HIGHLIGHTS (continued)

Capital Activity: Capital activity, including Line of Credit Payoff created a net outflow of \$2,918,607, which was \$2,126,607 more than budgeted, as the decision was made to pay off the entire LOC.

Grants from the Belvedere Tiburon Library Foundation totaled \$355,500, \$255,500 for Operations, and \$100,000 for Expansion Capital funding. Operating Program Grants totaled \$17,977, mostly from the CA State Library. Miscellaneous Donations of \$6,132 were also received. Additional Expansion Capital Contributions received were \$95,275 from the Town of Tiburon and \$12,153 from Marin Clean Energy (an EV Charger installation cost rebate). Inception to date grant details are found in Note 10 to the financial statements on **Page 39**.

Personnel Costs include Staffing, Retirement and Health Benefits, Payroll Tax Expense, Insurance, and Professional Development Costs. The total Personnel costs were \$1,965,976 in 2024 and \$1,916,297 in 2023, a 3% increase from the prior year due to successful efforts in filling Part-Time Staff positions and to Health Benefits increases.

Services and Supplies include Circulation Materials and Data, except for book acquisitions which are capitalized, i.e., included in capital assets on the statement of net position rather than in expenditures. The capitalized Book and other physical Materials collection is depreciated over 7 years.

Total Circulation Materials and Data Expenditures before this capitalization of books were \$379,366 in 2024 and \$368,852 in 2023 a 3% increase. **Capitalized Resource Costs (Books)** totaled \$96,392 in 2024 and \$111,256 in 2023, a 13% decrease. **Expensed Circulation Materials and Data Costs** including print subscriptions, digital content, and database costs were \$282,974 in 2024 and \$257,596 in 2023, a 10% increase. This illustrates that purchases of physical materials declined while purchases of digital resources increased.

The Services and Supplies category also includes Programs, Facilities, and non-capitalized Technology and Equipment Purchases and Maintenance costs.

Total Services and Supplies costs were \$1,005,920 in 2024 and \$982,875 in 2023, a 2% increase from the prior year due to increases in Digital Resources, Programs, and Insurance.

Debt Service Cost

Bond Service Cost for the CFD1995-1 Limited Obligation Bonds was for \$95,000 for Principal, \$21,750 for Interest, and \$13,062 for Fiscal Agent Fees in accordance with the Bond Issue Agreement. Bond Service Cost is funded through the annual Parcel Tax Revenue, so is treated as part of operations rather than Capital Activities for Budgeting and Quarterly Review purposes.

Expansion Line of Credit Debt Service Cost was \$2,964,747 for Principal and \$70,213 for Interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GOVERNMENT-WIDE FINANCIAL ANALYSIS
Analysis of Net Position
From the Statement of Net Position on Page 12

	Governmental			
	<u>Governmental Funds Analysis</u>		\$	%
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change</u>
Cash, cash equivalents and investments	2,586,355	4,765,062	(2,178,707)	-46%
Capital assets, net	18,997,166	19,728,196	(731,030)	-4%
Other assets	385,261	545,012	(159,751)	-29%
Total assets	21,968,782	25,038,270	(3,069,488)	-12%
Deferred outflows (Pension & OPEB)	943,430	988,523	(45,093)	-5%
Total deferred outflows	943,430	988,523	(45,093)	-5%
Series 1996 bonds & capital lease	315,000	410,000	(95,000)	-23%
Expansion Line of Credit	-	2,964,747	(2,964,747)	-100%
Net Pension liability	1,832,458	1,636,951	195,507	12%
Net Postemployment benefit (OPEB)	279,281	357,355	(78,074)	-22%
Other liabilities	176,557	182,835	(6,278)	-3%
Total liabilities	2,603,296	5,551,888	(2,948,592)	-53%
Deferred inflows (Pension & OPEB)	344,861	338,166	6,695	2%
Total deferred inflows	344,861	338,166	6,695	2%
Net investment in capital assets	18,682,166	16,353,449	2,328,717	14%
Restricted and Unrestricted	1,281,889	3,783,290	(2,501,401)	-66%
Net position	19,964,055	20,136,739	(172,684)	-1%

Net Position serves over time as a useful indicator of the Agency's financial position: Assets exceeded Liabilities by \$19,964,055 as of June 30, 2024, a decrease of \$172,684 from the prior year. Net Investment in Capital Assets consists of Capital Assets Less and related outstanding Debt. Unrestricted Assets are those used to finance Operations and Debt Service.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GOVERNMENT-WIDE FINANCIAL ANALYSIS
Analysis of Changes in Net Position
From the Statement of Activities on Page 13

	Governmental		\$	%
	Activities			
	2024	2023	Change	Change
PROGRAM EXPENSES:				
Library Services				
Personnel Cost	\$ 1,983,862	\$ 1,941,959	\$ 41,903	2%
Pension and OPEB Adjustments	169,221		169,221	
Total Personnel Services	2,153,083	1,941,959	211,124	11%
Materials and Programs	909,528	982,875	(73,347)	-7%
Depreciation and Amortization	918,497	921,446	(2,949)	0%
Bond Interest & Fiscal Agent Fees	34,812	39,905	(5,093)	-13%
LOC Interest	70,213	132,365	(62,152)	
Total Program Expenses	4,086,133	4,018,550	67,583	2%
PROGRAM REVENUES:				
Charges for Services	11,666	3,213	8,453	263%
Operating Grants and Contributions	279,609	127,377	152,232	120%
Capital Grants	207,428	309,000	(101,572)	-33%
Total Program Revenues	498,703	439,590	59,113	13%
GENERAL REVENUES:				
Property Taxes	3,312,901	3,217,788	95,113	3%
Investment Earnings	101,845	78,839	23,006	29%
Total General Revenues	3,414,746	3,296,627	118,119	4%
Increase (Decrease) in Net Position	(172,684)	(282,333)	109,649	-39%
Net Position - Beginning of Year	20,136,739	20,762,924	(626,185)	-3%
Adjustment to Prior Year Net Position		(343,852)	343,852	
Restated Net Position - Beginning of Year	20,136,739	20,419,072	(282,333)	-1%
Net Position - End of Year	\$ 19,964,055	\$ 20,136,739	\$ (172,684)	-1%

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GOVERNMENTAL FUND – GENERAL
FUND BALANCE SHEET ANALYSIS
From the Balance Sheet Governmental Fund –
General Fund on Page 14

	Governmental Funds - General Fund Analysis		\$	%
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Change</u>
ASSETS				
Cash, cash equivalents and investments	\$ 2,586,355	\$ 4,765,062	\$ (2,178,707)	-46%
Accounts and Interest receivable	371,407	391,831	(20,424)	-5%
Prepays	13,854	140,115	(126,261)	-90%
Deposits	-	13,066	(13,066)	-100%
Total Assets	<u>2,971,616</u>	<u>5,310,074</u>	<u>(2,338,458)</u>	<u>-44%</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	66,963	91,127	(24,164)	-27%
Total Liabilities	<u>66,963</u>	<u>91,127</u>	<u>(24,164)</u>	<u>-27%</u>
FUND BALANCES				
Nonspendable for prepaids and deposits	13,854	153,181	(139,327)	-91%
Restricted for:				
Debt Service	110,739	88,050	22,689	26%
Committed for:				
Operations	2,226,182	4,410,922	(2,184,740)	-50%
Insurance	500,000	250,000	250,000	100%
Building Maintenance	53,878	316,794	(262,916)	-83%
Total Fund Balances	<u>2,904,653</u>	<u>5,218,947</u>	<u>(2,314,294)</u>	<u>-44%</u>
Total Liabilities and Fund Balances	<u>\$ 2,971,616</u>	<u>\$ 5,310,074</u>	<u>\$ (2,338,458)</u>	<u>-44%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GOVERNMENTAL FUNDS CHANGES ANALYSIS
From the Statement of Revenues, Expenditures, and Changes
in Fund Balances on Page 16

The following schedule presents a comparison of general fund revenues and expenditures for the fiscal year ended June 30, 2024 to the prior fiscal year.

		Funds Analysis		\$	%
		2024	2023	Change	Change
Basic Library Tax		\$2,460,365	\$2,365,064	\$95,301	4%
Parcel Tax		275,877	278,024	(2,147)	-1%
ERAF		576,659	574,700	1,959	0%
	Total intergovernmental	<u>3,312,901</u>	<u>3,217,788</u>	<u>95,113</u>	<u>3%</u>
Private Grants & Contributions:					
	Belvedere Tiburon Library Foundation				
	Operations	255,500	54,000	201,500	373%
	Expansion	100,000	300,000	(200,000)	-67%
	TOT & COB - Expansion	95,275	-	95,275	
	Marin Clean Energy - Expansion	12,153	9,000	3,153	35%
	Program Grants	17,977	63,883	(45,906)	-72%
	Miscellaneous Grants & Contributions	6,132	9,494	(3,362)	-35%
Charges for Services		11,666	3,213	8,453	263%
Investment Earnings		101,845	78,839	23,006	29%
	Total Revenues	<u>3,913,449</u>	<u>3,736,217</u>	<u>177,232</u>	<u>5%</u>
Salaries and Benefits		1,965,976	1,916,297	49,679	3%
Services and Supplies		1,005,920	887,685	118,235	13%
Bond and LOC Principal		3,059,747	125,253	2,934,494	2343%
Bond and LOC Interest and Fiscal Agent Fees		105,025	172,270	(67,245)	-39%
Capital Outlay		91,075	1,774,141	(1,683,066)	-95%
	Total Expenditures	<u>6,227,743</u>	<u>4,875,646</u>	<u>1,352,097</u>	<u>28%</u>
	Excess (Deficit) of Revenues over Expenditures	<u>(2,314,294)</u>	<u>(1,139,429)</u>	<u>(1,174,865)</u>	<u>103%</u>
	Proceeds from Line of Credit	-	2,000,000	(2,000,000)	-100%
	Net Change in Fund Balance	<u>(2,314,294)</u>	<u>860,571</u>	<u>(3,174,865)</u>	<u>-369%</u>
Fund	Balances, Beginning of Year	5,218,947	4,358,376	860,571	20%
Fund	Balances, End of Year	<u><u>\$2,904,653</u></u>	<u><u>\$5,218,947</u></u>	<u><u>(\$2,314,294)</u></u>	<u><u>-44%</u></u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GOVERNMENTAL FUNDS SUMMARY
From the Balance Sheet on Page 14

	<u>30-Jun-23</u>	<u>Increase/ (Decrease)</u>	<u>30-Jun-24</u>
Nonspendable Prepaids and Deposits	\$ 153,181	\$ (139,327)	\$ 13,854
Restricted for Debt Service	88,050	22,689	110,739
Committed for Operations	4,410,922	(2,184,740)	2,226,182
Committed for Insurance	250,000	250,000	500,000
Committed for Building Maintenance	316,794	(262,916)	53,878
	<u>\$ 5,218,947</u>	<u>\$(2,314,294)</u>	<u>\$ 2,904,653</u>

HISTORY AND ECONOMIC FACTORS

The history of the Agency organization is described in Note 1 to the financial statements. The main source of revenue for the Agency is property taxes as described in Note 1 to the financial statements. The return of excess ERAF is not assured on an annual basis into the future. The Agency also relies on annual grants from the Belvedere Tiburon Library Foundation, which may vary from year to year.

Building reserves are normally being funded on a yearly basis to pay for building upgrades and maintenance, including roofing, carpeting, or other important facility items. Insurance Reserves are meant to cover the costs of plan deductibles. Operating Reserves represent Foundation fundraising over many years, which supplemented the Library's Operation Budget, and may be used for Debt Service at the Agency's discretion.

Expansion Capital Activity Note:

The Library Expansion was substantially completed in January, 2024, after a Grand Opening in September, 2022.

The Budget for the Expansion totaled \$18,300,000. As of June 20, 2024, the project had been funded through Library Foundation Community Fundraising/Local Donors \$14,000,000 (76%), Library Reserves from prior years' Library Foundation Fundraising \$1,000,000 (5%), Contributions from the Town of Tiburon and the City of Belvedere \$750,000 (3%) and Line of Credit Borrowing \$3,000,000 (16%).

As of January 24, 2024, Line of Credit Principal of \$2,694,747 was fully paid via use of additional Library Reserves accumulated from prior years' Foundation Fundraising. Since Library Reserves are attributable to past years' Library Foundation Fundraising, Donor Contributions made through the Foundation now comprise a total of \$16,736,422 (approximately 92%) of total funding for Expansion Capital Project Costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Library Director
Belvedere Tiburon Library Agency
1501 Tiburon Blvd
Tiburon, CA 94920.

BELVEDERE-TIBURON LIBRARY AGENCY

**(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)**

**STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash, cash equivalents and investments (Note 3)	\$2,586,355
Accounts and interest receivable (Note 4)	371,407
Prepays	13,854
Total current assets	<u>2,971,616</u>
Noncurrent assets:	
Nondepreciable capital assets (Note 5)	1,623,551
Depreciable capital assets, net (Note 5)	17,373,615
Total capital assets, net of accumulated depreciation	<u>18,997,166</u>
Total Assets	<u>21,968,782</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension (Note 8)	854,985
Related to OPEB (Note 9)	88,445
Total Deferred Outflows of Resources	<u>943,430</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	66,963
Long-term debt - due within one year (Note 6)	100,000
Total current liabilities	<u>166,963</u>
Non-current liabilities:	
Compensated absences - due in more than one year (Note 2F)	109,594
Long-term debt - due in more than one year (Note 6)	215,000
Collective net pension liability (Note 8)	1,832,458
Net OPEB liability (Note 9)	279,281
Total Liabilities	<u>2,603,296</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension (Note 8)	142,327
Related to OPEB (Note 9)	202,534
Total Deferred Inflows of Resources	<u>344,861</u>
NET POSITION (Note 7A)	
Net investments in capital assets	18,682,166
Restricted	110,739
Unrestricted	1,171,150
Total Net Position	<u>\$19,964,055</u>

See accompanying notes to financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

**(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Governmental Activities</u>
PROGRAM EXPENSES:	
Library services:	
Personnel services	\$2,153,083
Materials and services	909,528
Depreciation and amortization	918,497
Interest	105,025
Total Program Expenses	<u>4,086,133</u>
PROGRAM REVENUES:	
Charges for services	11,666
Operating grants and contributions	279,609
Capital grants and contributions	207,428
Total Program Revenues	<u>498,703</u>
Net Program Income (Loss)	<u>(3,587,430)</u>
GENERAL REVENUES:	
Property taxes	3,312,901
Investment earnings	101,845
Total General Revenues	<u>3,414,746</u>
Increase (Decrease) in Net Position	(172,684)
Net position - beginning of year	<u>20,136,739</u>
Net position - end of the year	<u><u>\$19,964,055</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)

BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
JUNE 30, 2024

ASSETS

Cash, cash equivalents and investments (Note 3)	\$2,586,355
Accounts and interest receivable (Note 4)	371,407
Prepays	<u>13,854</u>
Total Assets	<u><u>\$2,971,616</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable and accrued liabilities	<u>\$66,963</u>
Total Liabilities	<u>66,963</u>

Fund Balances (Note 7B):

Nonspendable for prepaids	13,854
Restricted for:	
Debt service	110,739
Committed for:	
Operations	2,226,182
Insurance	500,000
Building maintenance	<u>53,878</u>
Total Fund Balances	<u>2,904,653</u>
Total Liabilities and Fund Balances	<u><u>\$2,971,616</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

**(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)**

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024**

Total Fund Balances - Governmental Funds \$2,904,653

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.

Capital assets	\$25,906,031	
Less: Accumulated depreciation	<u>(6,908,865)</u>	18,997,166

Deferred outflows of resources related to pension		854,985
Deferred outflows of resources related to OPEB		88,445

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.

Long-term debt	(315,000)	
Compensated absences	(109,594)	
Net Pension Liability	(1,832,458)	
Net OPEB Liability	(279,281)	
Deferred inflows of resources related to pension	(142,327)	
Deferred inflows of resources related to OPEB	<u>(202,534)</u>	<u>(2,881,194)</u>

Net Position - Governmental Activities \$19,964,055

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

**(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

REVENUES

Intergovernmental:	
Basic library tax	\$2,460,365
Parcel tax	275,877
ERAF	576,659
Total Intergovernmental	<u>3,312,901</u>
Grants and contributions (Note 10):	
Belvedere-Tiburon Library Foundation	355,500
Town of Tiburon - expansion	95,275
Marin Clean Energy - expansion	12,153
Various Local and State Library Grants for Library programs	17,977
Miscellaneous gifts and donations	6,132
Charges for services	11,666
Investment earnings	<u>101,845</u>
Total Revenues	<u>3,913,449</u>

EXPENDITURES

Current - Library Services:	
Personnel costs	1,965,976
Services and supplies	1,005,920
Capital outlay	91,075
Debt service:	
Principal	3,059,747
Interest	<u>105,025</u>
Total Expenditures	<u>6,227,743</u>

Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources (Uses)	<u>(2,314,294)</u>
Net Change in Fund Balance	<u>(2,314,294)</u>
Fund Balances, Beginning of Year	<u>5,218,947</u>
Fund Balances, End of Year	<u><u>\$2,904,653</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

**(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)**

**Reconciliation of the Governmental Funds – Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Government-Wide Statement of Activities and Changes in Net Position
For the Fiscal Year Ended June 30, 2024**

Net Changes in Fund Balances - Governmental Funds (\$2,314,294)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities and Change in Net Position the cost of these assets is allocated over their estimated useful lives and recorded as depreciation expense.

Capital outlay	\$91,075	
Services and supplies (Books)	96,392	
Depreciation and amortization expense	<u>(918,497)</u>	(731,030)

Some expenses reported in the Statement of Activities and Changes in Net Position do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(17,886)
Change in pension liabilities	(158,532)
Change in OPEB liabilities	(10,689)

Series 1996 bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal repayments on Series 1996 Bonds and expansion line of credit	<u>3,059,747</u>
--	------------------

Changes in Net Position - Governmental Activities (\$172,684)

See accompanying notes to basic financial statements.

This Page Left Intentionally Blank

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 1 – ORGANIZATION

The Belvedere-Tiburon Library Agency (the “Agency”), and Community Facilities District No. 1995-1 (“CFD”), were organized in 1995 by a joint power agreement between the Town of Tiburon and the City of Belvedere. The Agency was created to construct and operate a library facility which was completed April 13, 1997. Financing for the construction of the facility was primarily through a grant from the Belvedere-Tiburon Library Foundation and the issuance of limited obligation bonds. The Agency is governed by a Board of Trustees, which adopted a resolution authorized by a registered-voter election to levy a special tax against parcels of land within the CFD. This tax and other property taxes will provide for repayment of the bonds and provide operational funding for the Agency which receives payments from the County of Marin Tax Collector through the Town of Tiburon and the City of Belvedere. The Agency is subject to the laws, regulations and guidelines that are set forth by the California State Controller’s Office.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Boards (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

A. *Government-Wide Financial Statements*

The government-wide financial statements include all of the activities of the Agency. The Agency has no component units (other governments under the Agency’s oversight or control). The statement of net position and the statement of activities display information about the reporting government as a whole. They display the Agency’s activities on a full accrual accounting basis and economic resource measurement focus.

The statement of net position includes long-term assets as well as long-term debt and other obligations. The Agency’s net position is reported in two parts: (1) net investment in capital assets and (2) unrestricted net position.

The activities of the Agency are supported primarily by general government revenues (property taxes and intergovernmental revenues). The statement of activities presents gross program expenses (including depreciation) and deducts related program revenues, operating and capital grants to indicate the net cost of operations. Program revenues include (a) fees and charges paid by recipients for services and (b) operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital- specific grants.

The government-wide focus is more on the sustainability of the Agency as an entity and the change in the Agency’s net position resulting from the current year’s activities.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Financial Statements

The financial transactions of the government are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. The Agency only reports one fund as follows:

General Fund is the general operating fund of the Agency. It is used to account for all financial resources and activities of the Agency.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

D. Budget Process and Expenditures in Excess of Appropriations

The Library Director, with the assistance of the Agency Treasurer and the Finance Manager, annually prepare a preliminary budget for review by the Board of Directors and the Library Foundation. The final budget is voted on by the full Board at the June board meeting, prior to the beginning of the new fiscal year on July 1st of every year.

E. Cash and Cash Equivalents

The Agency has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with maturity dates within three months of the acquisition date.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Compensated Absences

Earned vacation payable upon termination or retirement are accrued as a compensated absences liability. Regular employees earn vacation hours based on years of continuous service and scheduled weekly hours worked. Also, regular employees are given credit for seven- and one-half hours of sick leave each month of employment with a maximum pro-rated accumulation of 90 days.

At the close of each fiscal year, a liability is recorded based on the accumulated time for employees at their current salary. The General Fund has been used to liquidate compensated absences. The balance of accrued compensated absences as of June 30, 2024 was \$109,594.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. Leases

A lease is defined as a contract that conveys control for the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. The Agency will record significant leases.

I. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

J. Property taxes

Operation of the library facility is funded by that portion of County ad valorem real estate taxes which previously was funding County of Marin library services. The 1996 Special Tax Bonds (discussed in Note 6) are to be repaid through the collection of a special library tax which is \$66 per parcel per annum in the City of Belvedere and the Town of Tiburon. Any portion of the special parcel tax which is not needed to service the bonds is used for operations.

The County of Marin, which collects all taxes paid to the Agency, levies property taxes each November 1 on the assessed value of real property as of prior March 1. Taxes are due in two equal installments on December 10 and April 10 following the levy date. The County operates under the permission of Section 4701-4717 of the California Revenue and Taxation Code (the “Teeter Plan”). In accordance with the Teeter Plan, all subdivisions of the County for which the County collects tax revenues are credited with 100% of their respective treasuries’ cash positions and are additionally protected by a special fund into which all County-wide delinquent penalties are deposited.

K. Use of Estimates

The basic financial statements have been prepared in conformity to generally accepted accounting principles and therefore include amounts based on informed estimates and judgments of management. Actual results could differ from those estimates.

L. Subscription-Based Information Technology Arrangements

A subscription is defined as a contract that conveys control for the right to use another entity’s subscription-based information technology software as specified in the contract for a period of time in an exchange or exchange-like transaction. The Agency will record significant subscription liabilities and intangible right-to-use subscription assets with a net present value exceeding \$150,000.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Agency’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Agency’s name and places the Agency ahead of general creditors of the institution.

The Agency’s investments are carried at fair value, as required by generally accepted accounting principles. The Agency adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Cash, cash equivalents and investments consist of the following at June 30, 2024:

Held by Agency:

Petty cash and change fund	\$200
Deposits with financial institutions	421,010
Money market mutual funds	1,678,115
Local Agency Investments Fund	376,291

Held by Fiscal Agent:

Money market mutual funds	110,739
---------------------------	---------

Total Cash, Cash Equivalents and Investments	\$2,586,355
--	-------------

B. Investments Authorized by the California Government Code and the District’s Investment Policy

The Agency’s Investment Policy and the California Government Code allow the Agency to invest in the following, provided the credit ratings of the issuers are acceptable to the Agency, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Agency’s Investment Policy where the Agency’s Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	N/A	100%	None
Certificates of Deposit	2 years	N/A	80%	FDIC Limit
State Local Agency Investment Fund	None	N/A	100%	None
Money Market Funds	None	N/A	80%	FDIC Limit
Joint Powers Authority	Pool	N/A	80%	Per Section 53601

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity is of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency generally manages its interest rate risk by holding investments to maturity.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS Continued)

All of the Agency's investments mature in less than twelve months. The Agency is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments matured in an average of 217 days.

D. Credit Risk

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. None of the Agency's investments are subject to credit ratings.

E. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Agency would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Agency's name, and held by the counterparty. The Agency's investment securities are not exposed to custodial credit risk because all securities are held by the Agency's custodial bank in the Agency's name.

F. Fair Value Hierarchy

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The California Local Agency Investment Fund is exempt from the fair value hierarchy and is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 4 – ACCOUNTS AND INTEREST RECEIVABLE

Accounts and interest receivable consist of the following at June 30, 2024:

Parcel Tax	\$12,075
Basic Tax	144,804
ERAF	194,928
LAIF Interest	4,242
Other Receivables	15,358
	\$371,407

It is the practice of the Agency to expense uncollectibles only after exhausting all efforts to collect the amounts due. No allowance for doubtful accounts is used and management believes all amounts will be collected in full.

NOTE 5 – CAPITAL ASSETS

Governmental activity capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Position as a reduction in the book value of capital assets.

Depreciation of capital assets in service is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The Agency has assigned the useful lives listed below to capital assets:

Books	7 years
Building and improvements	30 years
Computers and equipment	3-5 years
Furniture and fixtures	7-10 years
Website	7 years

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 5 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Non-depreciable assets:				
Land	\$1,606,560			\$1,606,560
Land development	16,991			16,991
Total non-depreciable assets	<u>1,623,551</u>			<u>1,623,551</u>
Depreciable assets:				
Books	3,018,408	\$96,392	(\$87,079)	3,027,721
Buildings and improvements	19,820,864	64,276		19,885,140
Computers and equipment	260,608	18,824		279,432
Furniture and fixtures	926,104	7,975		934,079
Website	156,108			156,108
Sub-total	<u>24,182,092</u>	<u>187,467</u>	<u>(87,079)</u>	<u>24,282,480</u>
Accumulated depreciation:				
Books	(2,735,618)	(99,210)	87,079	(2,747,749)
Buildings and improvements	(2,620,646)	(662,838)		(3,283,484)
Computers and equipment	(200,672)	(43,516)		(244,188)
Furniture and fixtures	(388,946)	(90,632)		(479,578)
Website	(131,565)	(22,301)		(153,866)
Sub-total	<u>(6,077,447)</u>	<u>(918,497)</u>	<u>87,079</u>	<u>(6,908,865)</u>
Total depreciable assets, net	<u>18,104,645</u>	<u>(731,030)</u>		<u>17,373,615</u>
Capital assets, net	<u>\$19,728,196</u>	<u>(\$731,030)</u>		<u>\$18,997,166</u>

**BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2024:

	<u>Balance June 30, 2023</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>	<u>Due within one year</u>
<i>Governmental Activities:</i>				
Series 1996 Special Tax Bonds	\$410,000	\$95,000	\$315,000	\$100,000
Expansion Line of Credit	2,964,747	2,964,747	-	-
	<u>\$3,374,747</u>	<u>\$3,059,747</u>	<u>\$315,000</u>	<u>\$100,000</u>

1996 Special Tax Bonds

In April 1996, the Agency issued \$1.6 million in limited obligation bonds. The bond agreement calls for an interest rate ranging from 4 to 6% per annum, with interest payable semi-annually on March 1 and September 1, beginning March 1, 1998. The bonds mature on varying dates and in varying amounts from September 1, 1999 through September 1, 2026, and are repayable from ad valorem property taxes.

Scheduled payments on the bonds for the remaining years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$100,000	\$15,900	\$115,900
2026	105,000	9,750	114,750
2027	110,000	3,300	113,300
Total	<u>\$315,000</u>	<u>\$28,950</u>	<u>\$343,950</u>

Mechanics Bank Line of Credit – Direct Borrowing

In February 2018, the Agency was approved for a line of credit (LOC) in an amount not to exceed \$4,000,000, for the purpose of bridging fundraising efforts of the capital campaign for the library expansion. The LOC bears interest of 5%. As of June 30, 2024, the Agency paid off \$2,964,747 in principal and \$70,213 in interest during the fiscal year. The LOC was fully paid off as of June 30, 2024.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 7 – NET POSITION AND FUND BALANCE

A. Net Position

Net Position is the excess of all the Agency’s assets and deferred outflows over all its liabilities, deferred inflows, regardless of fund. Net Position is divided into two captions. These captions apply only to Net Position, which is determined only at the Agency-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Agency’s capital assets.

Restricted describes the portion of the Net Position which is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balance

The Agency’s fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Agency to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Agency prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the Board of Trustees which may be altered only by formal action of the Board of Trustees.

Assigned fund balances are amounts constrained by the Agency’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board of Trustees or its designee and may be changed at the discretion of the Board of Trustees or its designee. This category includes nonspendables, when it is the Agency’s intent to use proceeds or collections for a specific purpose.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds. The Agency strives to maintain 25% of operating expenditures in reserves.

Fund balances classifications at June 30, 2024 are presented on the General Fund Balance Sheet.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PENSION PLAN

A. Plan Descriptions and Summary of Balances

Plan Description – The Agency only has one defined benefit pension plan, a Miscellaneous Plan. The Miscellaneous Plan is a Cost-Sharing Multiple Employer Plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Agency Ordinance.

CalPERS Plan – All qualified employees are eligible to participate in the Agency’s Miscellaneous (Classic) or Miscellaneous (PEPRA) cost-sharing multiple employer defined benefit pension plans (“Plan”).

Benefit provisions under the Plan is established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous Plan and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. 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.

Pension liabilities are liquidated by the funds that have recorded the liability. The long-term portion of the governmental activities pension liabilities are liquidated by the General Fund.

The Plan is discussed in detail below.

B. CalPERS Plan (Miscellaneous)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

Funding Policy – Active plan members in the Plan are required to contribute 7.75% or 7% of their covered salary for the Miscellaneous Plan. The Agency contributed 5% of the 7% CalPERS contribution required of Classic Members until 2020, when the Agency discontinued the employer-paid member contribution. The Agency does not contribute to the employee portion for PEPRA Members. The Agency is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of plan members are established by State statute and the employer contribution is established and may be amended by CalPERS.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous	
	<u>Classic</u>	<u>PEPRA</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67 or older	52-67 or older
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.75%
Required employer contribution rates	11.84%	7.68%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. 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 Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan was as follows:

Contributions - employer	<u>Miscellaneous</u> <u>\$228,087</u>
--------------------------	--

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2024, the Agency reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

Miscellaneous - Classic & PEPRA	Proportionate Share of Net Pension Liability <u>\$1,832,458</u>
---------------------------------	---

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

The Agency’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency’s proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2022	0.03498%
Proportion - June 30, 2023	0.03665%
Change - Increase (Decrease)	0.00166%

For the year ended June 30, 2024, the Agency recognized pension expense of \$158,532. At June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$228,087	
Differences between actual and expected experience	93,612	(\$14,521)
Changes in assumptions	110,634	
Net differences between projected and actual earnings on plan investments	296,691	
Net difference in actual contribution and proportion		(127,806)
Adjustment due to differences in proportions contributions	125,961	
Total	\$854,985	(\$142,327)

\$228,087 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The Agency does not incur any amount for pension contributions subsequent to measurement date related to deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Annual Amortization
2025	\$144,499
2026	103,379
2027	228,179
2028	8,514
Total	\$484,571

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 8 – PENSION PLAN (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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. The expected nominal 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the 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. These rates of return are net of administrative expenses.

Asset Class (1)	Assumed Asset Allocation	Real Return (1,2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

**BELVEDERE-TIBURON LIBRARY AGENCY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2024**

NOTE 8 – PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Agency’s proportionate share of the net pension liability for each Plan, calculated using the discount rate 6.90%, as well as what the Agency’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$2,925,698
Current Discount Rate	6.90%
Net Pension Liability	\$1,832,458
1% Increase	7.90%
Net Pension Liability	\$932,628

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

NOTE 9 – POST-EMPLOYMENT HEALTH CARE BENEFITS

A. General Information about the Agency’s Other Post Employment Benefit (OPEB) Plan

Plan Description – The Agency’s Post Employment Benefit Plan is a single employer OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided – The following is a summary of Plan benefits as of June 30, 2024:

Eligibility	<ul style="list-style-type: none"> • Retire directly from Library under CalPERS - Service - Age 50 & 5 years CalPERS service, or - Disability 										
Retiree Medical Benefit	<p>Library contributes PEMHCA minimum retirees participating in PEMHCA medical plan:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Year</th> <th style="text-align: center; border-bottom: 1px solid black;">PEMHCA Minimum</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">151</td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">157</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">158</td> </tr> <tr> <td style="text-align: center;">2026+</td> <td style="text-align: center;">Increase at CPI-U Medical</td> </tr> </tbody> </table>	Year	PEMHCA Minimum	2023	151	2024	157	2025	158	2026+	Increase at CPI-U Medical
Year	PEMHCA Minimum										
2023	151										
2024	157										
2025	158										
2026+	Increase at CPI-U Medical										
Surviving Spouse Benefit	<ul style="list-style-type: none"> • Surviving spouse coverage based on retirement plan election • Same benefit continues to surviving spouse 										
Other OPEB	<ul style="list-style-type: none"> • No dental, vision, life insurance or Medicare reimbursement 										
Implied Subsidy	<ul style="list-style-type: none"> • Participating retirees pay active rates vs actual cost • Implied subsidy included in valuation 										

For the year ended June 30, 2024, the Agency’s contributions to the Plan were \$9,436.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2023:

Active employees	12
Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	4
Total	21

**BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

NOTE 9 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

B. Total OPEB Liability

Actuarial Methods and Assumptions – The Agency’s total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation dated June 30, 2023 to determine the June 30, 2023 total OPEB liability as of June 30, 2024, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount Rate	- 3.65% at June 30, 2023 (Bond Buyer 20-bond Index) - 3.54% at June 30, 2022 (Bond Buyer 20-bond Index)
General Inflation	2.50% per annum
Salary Increases	- Aggregate - 2.75% annually - Merit - CalPERS 2000-2019 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021 - Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend	- Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 - Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increase	3.50% per year
Medical Participation at Retirement	- Currently covered - 60% - Currently waived - 30%
Medical Plan at Retirement	- Currently covered - same as current election - Currently waived - Kaiser

Changes of Assumptions – The actuarial valuation dated June 30, 2023 included changes of assumptions for the discount rate to be updated to the municipal bond rate (from 3.54% to 3.65%) and updated medical trend rates including PEMHCA minimum increases.

**BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

NOTE 9 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at July 1, 2023 Reporting Date	\$357,355
Changes Recognized for the Measurement Period:	
Service cost	28,085
Interest on the total OPEB liability	13,466
Differences between expected and actual experience	(90,251)
Changes of assumptions	(19,336)
Benefit payments	(10,038)
Net changes	(78,074)
Balance at June 30, 2024 Reporting Date	\$279,281

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

Total OPEB Liability		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(2.65%)	(3.65%)	(4.65%)
\$316,017	\$279,281	\$248,679

The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability		
Current Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$243,035	\$279,281	\$323,894

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 9 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Agency recognized OPEB expense of \$10,689. At June 30, 2024, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$9,436	
Differences between actual and expected experience	40,946	(\$96,525)
Changes of assumptions	38,063	(106,009)
Total	\$88,445	(\$202,534)

\$9,436 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Fiscal Year Ended June 30	Annual Amortization
2025	(\$21,486)
2026	(18,758)
2027	(17,345)
2028	(17,220)
2029	(14,227)
Thereafter	(34,489)
Total	(\$123,525)

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 10 – GRANTS AND CONTRIBUTIONS

Major funding for the building and for equipping the library facility is from the nonprofit Belvedere-Tiburon Library Foundation which has been formed through contributions and bequests from community members. Grants committed by the Foundation (from inception through June 30, 2024) consist of the following:

	Grant Revenue		
	Inception-to-Date June 30, 2023	Total Grants Fiscal Year 2024	Inception-to-Date June 30, 2024
Construction: Original Building 1997	\$1,959,581		\$1,959,581
Construction: Library Expansion 2019-2023	13,968,675	\$100,000	14,068,675
Collection - Original Book Collection 1997-2001	882,534		882,534
Collection - BTLF (Foundation) Annual Appeal	1,372,138	255,500	1,627,638
Collection - BTLF's Corner Books	224,000		224,000
Programs & Operations - BTLF Endowments	1,228,951		1,228,951
Programs - BTLF's Bookmarks	324,412		324,412
Total Belvedere Tiburon Library Foundation Grants	\$19,960,291	\$355,500	\$20,315,791

Programs and operations grants from other sources consist of the following:

	Total Grants Fiscal Year 2024
Program - Various Local and State Library Grants	\$17,977
Miscellaneous Gifts and Contributions	6,132
Total Program & Operational Grants from Other Sources	\$24,109

Expansion grant revenues from other sources consist of the following:

	Inception-to-Date June 30, 2023	Total Grants Fiscal Year 2024	Inception-to-Date June 30, 2024
Town of Tiburon Expansion Contributions	\$450,000	\$95,275	\$545,275
City of Belvedere Expansion Contributions	150,000		150,000
Marin Clean Energy	9,000	12,153	21,153
	\$609,000	\$107,428	\$716,428

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

NOTE 11 – RISK MANAGEMENT

The Agency is a member of the Special District Risk Management Authority (SDRMA), which provides General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability. The total risk financing limits are \$5.0 million, with a combined single limit at \$5.0 million per occurrence, subject to the following deductibles:

- \$500 per occurrence for third party general liability property damage;
- \$1,000 per occurrence for third party auto liability property damage;
- 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence, for employment related claims.

The policy also includes Employee Dishonesty Coverage of \$1,000,000 per loss; Property Loss insurance of one billion per occurrence, subject to a deductible of \$1,000; Boiler and Machinery up to \$100 million per occurrence, subject to a \$1,000 deductible; Catastrophic Loss subject to a \$500,000 deductible; and Public Officials Personal Liability of \$500,000 per occurrence, with an annual aggregate of \$500,000 per each elected/appointed official, subject to a deductible of \$500 per claim.

Workers' Compensation Coverage and Employer's Liability is also included with statutory limits per occurrence for Workers' Compensation and \$5.0 million for Employer's Liability coverage.

The Agency does not have any liability for uninsured claims, including estimated claims incurred but not reported for fiscal year ended June 30, 2024. Settlements have not exceeded insurance coverage in the past three years.

The Agency paid \$125,069 in premiums during fiscal year ended June 30, 2024. Audited financial statements may be obtained from SDRMA Services, 1112 I St #300, Sacramento, CA 95814.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Library Expansion Project

In September 2019, the Agency awarded a bid for the Library Expansion project construction services to Alten Construction, Inc, with change orders through June 2023 for a total contract of \$14,441,229. The total Library Expansion project budget was \$18,310,070. The construction began during fiscal year ended June 30, 2020, and the project is substantially complete and has been put into service as of June 30, 2023. Funds for the project came from the Belvedere-Tiburon Library Foundation, prior years' fundraising, contributions from the Town of Tiburon and the City of Belvedere, and the Mechanics Bank line of credit.

The Agency entered into an agreement with the Town of Tiburon in 2007 to transfer the rights to use adjacent property to facilitate the expansion project which expired on July 5, 2013. The Agency amended the agreement on December 5, 2012 which extended the expiration date to August 1, 2017. The Agency subsequently amended the agreement on May 15, 2017. The prior agreement with the Town of Tiburon to transfer the adjacent property in conjunction with the library expansion expired on August 1, 2022. The library is currently in negotiations with the Town of Tiburon for a land-sharing and related cost-sharing agreement. This agreement will likely include insurance requirements for both parties and maintenance cost-sharing.

REQUIRED SUPPLEMENTARY INFORMATION

BELVEDERE-TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Operating Revenues:			
Intergovernmental:			
Basic library tax	\$2,435,052	\$2,460,365	\$25,313
Parcel tax	275,000	275,877	877
ERAF	530,000	576,659	46,659
Total intergovernmental	3,240,052	3,312,901	72,849
Operating grants & contributions:			
Belvedere-Tiburon Library Foundation	175,000	255,500	80,500
Program grants	15,000	17,977	2,977
Miscellaneous gifts & donations	10,000	6,132	(3,868)
Charges for services	8,450	11,666	3,216
Investment earnings	50,000	101,845	51,845
Total Operating Revenues	3,498,502	3,706,021	207,519
Operating Expenditures:			
Current - Library Services:			
Personnel costs	2,301,880	1,965,976	335,904
Services and supplies	1,072,791	1,005,920	66,871
Debt service - CFD 1995-1 Bonds:			
Principal	95,000	95,000	
Interest and fiscal charges	34,250	34,812	(562)
Total Operating Expenditures	3,503,921	3,101,708	402,213
Excess of revenues over expenditures, before capital activities	(5,419)	604,313	609,732
Capital Activities:			
Expansion grants & contributions:			
Belvedere-Tiburon Library Foundation		100,000	100,000
Town of Tiburon		95,275	95,275
Marin Clean Energy		12,153	12,153
Capital outlay:			
Expansion		(72,251)	(72,251)
Other		(18,824)	(18,824)
Debt service - LOC:			
Principal	(754,913)	(2,964,747)	(2,209,834)
Interest and fiscal charges	(37,087)	(70,213)	(33,126)
Total Capital Activities, Net	(792,000)	(2,918,607)	(2,126,607)
Change in fund balance	(\$797,419)	(2,314,294)	(\$1,516,875)
Fund balances, beginning of year		5,218,947	
Fund balances, end of year		\$2,904,653	

BELVEDERE-TIBURON LIBRARY AGENCY

**Miscellaneous Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years***

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

Measurement Date	Miscellaneous Plan				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.01024%	0.02324%	0.02544%	0.02698%	0.02752%
Plan's proportion share of the Net Pension Liability (Asset)	\$637,621	\$637,654	\$883,572	\$1,063,688	\$1,037,322
Plan's Covered Payroll	\$1,057,330	\$1,081,598	\$1,129,322	\$1,139,794	\$1,186,789
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	60.30%	58.95%	78.24%	93.32%	87.41%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%

Measurement Date	Miscellaneous Plan				
	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Plan's proportion of the Net Pension Liability (Asset)	0.02928%	0.03111%	0.01372%	0.03498%	0.03665%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,172,442	\$1,312,187	\$578,652	\$1,636,951	\$1,832,458
Plan's Covered Payroll	\$1,223,832	\$1,297,054	\$1,325,201	\$1,363,641	\$1,235,912
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	95.80%	101.17%	43.67%	120.04%	148.27%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.73%	77.71%	90.49%	78.19%	77.97%

* Fiscal year 2015 was the first year of implementation.

BELVEDERE-TIBURON LIBRARY AGENCY

**Miscellaneous Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years***

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	Miscellaneous Plan				
	2015	2016	2017	2018	2019
Contractually required contribution (actuarially determined)	\$116,149	\$115,449	\$138,093	\$110,838	\$103,885
Contributions in relation to the actuarially determined contributions	(116,149)	(115,449)	(138,093)	(110,838)	(103,885)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,081,598	\$1,129,322	\$1,139,794	\$1,186,789	\$1,223,832
Contributions as a percentage of covered payroll	10.74%	10.22%	12.12%	9.34%	8.49%

Fiscal Year Ended June 30	Miscellaneous Plan				
	2020	2021	2022	2023	2024
Contractually required contribution (actuarially determined)	\$183,918	\$130,093	\$129,489	\$223,920	\$228,087
Contributions in relation to the actuarially determined contributions	(183,918)	(130,093)	(129,489)	(223,920)	(228,087)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,297,054	\$1,325,201	\$1,363,641	\$1,235,912	\$1,258,992
Contributions as a percentage of covered payroll	14.18%	9.82%	9.50%	18.12%	18.12%

Notes to Schedule Contributions

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry-Age Normal Cost in accordance with the requirements of GASB Statement No.68

Actual Assumptions:

Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Investment Rate of Return	6.90%
Mortality	Derived using CalPERS Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

* Fiscal year 2015 was the first year of implementation.

BELVEDERE-TIBURON LIBRARY AGENCY

**Other Post-Employment Benefits (OPEB)
Last 10 Fiscal Years ***

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement period	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Total OPEB Liability							
Service Cost	\$29,649	\$26,163	\$25,387	\$30,084	\$40,773	\$37,065	\$28,085
Interest	6,625	8,510	9,968	9,189	8,073	9,358	13,466
Benefit changes							
Differences between expected and actual experience			(40,637)		61,418		(90,251)
Assumption changes	(24,569)	(9,989)	10,440	59,522	(30,782)	(81,270)	(19,336)
Benefit payments	<u>(2,286)</u>	<u>(3,734)</u>	<u>(4,286)</u>	<u>(5,532)</u>	<u>(7,884)</u>	<u>(7,876)</u>	<u>(10,038)</u>
Net change in total OPEB liability	9,419	20,950	872	93,263	71,598	(42,723)	(78,074)
Total OPEB liability - beginning	<u>203,976</u>	<u>213,395</u>	<u>234,345</u>	<u>235,217</u>	<u>328,480</u>	<u>400,078</u>	<u>357,355</u>
Total OPEB liability - ending	<u>\$213,395</u>	<u>\$234,345</u>	<u>\$235,217</u>	<u>\$328,480</u>	<u>\$400,078</u>	<u>\$357,355</u>	<u>\$279,281</u>
Covered payroll	<u>\$1,129,395</u>	<u>\$1,192,875</u>	<u>\$1,375,610</u>	<u>\$1,292,785</u>	<u>\$1,366,168</u>	<u>\$1,302,706</u>	<u>\$1,253,644</u>
Total OPEB liability as a percentage of covered payroll	<u>18.9%</u>	<u>19.6%</u>	<u>17.1%</u>	<u>25.4%</u>	<u>29.3%</u>	<u>27.4%</u>	<u>22.3%</u>

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

This Page Left Intentionally Blank