AGENDA
BELVEDERE TIBURON LIBRARY AGENCY
Regular Meeting
Monday, November 16, 2020, 6:15pm

Belvedere Tiburon Library
1501 Tiburon Blvd, Tiburon, California

This meeting will be held remotely via Zoom. The meeting can be accessed beginning at 6pm at the following address:

https://us02web.zoom.us/j/81017429591?pwd=YVhUNjlUL0FwYWgyNjVldUpUdFA0UT09

Meeting ID: 810 1742 9591 Password: 798611

CALL TO ORDER/ROLL CALL

OPEN FORUM

This is an opportunity for any citizen to briefly address the Board of Trustees on any matter that does not appear on this agenda. Upon being recognized by the Chair, please state your name, address, and limit your oral statement to no more than three minutes. Matters that appear to warrant a lengthier presentation or Board consideration may be placed on the agenda for further discussion at a later meeting.

STAFF BOARD AND COMMITTEE REPORTS

1. Chair's Report – William Smith, Agency Chair (2 minutes)
2. Library Director's Report, including COVID-19 Update - Deborah Mazzolini, Library Director (5 minutes)
3. Expansion Update – Glenn Isaacson, Project Manager (5 minutes)
4. Belvedere Tiburon Library Foundation Report (5 minutes)
5. Agency Financial Statements for October, 2020 (5 minutes)
6. Committee Reports (5 minutes)

CONSENT CALENDAR – 2 MINUTES

The purpose of the Consent Calendar is to group items together which generally do not require discussion and which will probably be approved by one motion unless separate action is required on a particular item. Any member of the Agency may request removal of an item for discussion.

7. Approval of Agency Minutes of October 19, 2020
8. Approval of Agency Warrants dated October, 2020

TRUSTEE CONSIDERATIONS

The purpose of Trustee Considerations is to list items for discussion and potential action.

9. Consideration of approval of Audit Draft from Maze & Associates for the fiscal year ended June 30, 2020 (Maze Partner Vikki Rodriguez will comment and be available for questions)

COMMUNICATIONS & ANNOUNCEMENTS

10. Schedule of 2020/2021 Meeting Dates

NOTICE

AMERICANS WITH DISABILITIES ACT

The following accommodations will be provided, upon request, to persons with a disability: agendas and/or agenda packet materials in alternate formats; special assistance needed to attend or participate in this meeting. Please make your request at the office of the Administrative Assistant or by calling (415) 789-2660. Whenever possible, please make your request three days in advance.

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CMA

November 12, 2020

To:	Bill Smith Chair, Library Agency Members and Debbie Mazzolini, Library Director
From:	Glenn Isaacson, Project Manager
Subject:	Expansion Project Activity Report No. 10

Activities Accomplished:
The BIG news is that the roof shingles, gutters and flashing are nearly all Installed on the existing building and the expansion, which will provide a major element of weather protection for the start of the rainy season

At the interior, the framing is largely complete, the sprinkler system, the plumbing and the electric and data conduits are well along and dry wall and insulation are being installed.

At the exterior, the two easternmost bio- swail retention basins have been excavated. The foundations for the walls have been poured and formwork for the sidewalls is in process.

Looking ahead the following activities will occur in the next several weeks:
HVAC systems will commence installation.
Dry wall installation will occur as inspections are completed.
The retention basins and the entry foundation will be poured.
The formwork for the raised new entry patio retaining walls, ramp and stairs will be installed and poured.

Longer term activities include:
Installation of insulation in the roof and walls' Installation of windows and doors, and weather protection and wood shingles to the exterior.

Commencement of off-site improvements in Tiburon Blvd, for the elongation of the left turn lane from Tiburon Blvd. into Mar West Street, the restoration of the median when the current curb cuts for entry into the existing parking lot are removed and the installation of a new fire service line with hydrant on Tiburon Blvd.

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Working out all the details of the migration of staff, furniture and books to the "new" spaces to turn over the existing building to the Contractor to perform the interior work in the existing building.
An Update Report on the Migration Plan was presented at the October 19. 2020 Agency meeting.

Overview:
The Total Development Cost Budget of $17,000,000 continues to hold and the delivery date for a completed project remains as Summer of 2021.

END.

Belvedere-Tiburon Library Agency
Statement of Revenues
Period Ending October 31, 2020

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	FY 2020-21			FY 2019-20		
	Budgeted	**YTD Actual**	**%**	**Budgeted**	**YTD Actual**	**%**
GENERAL FUND						
Basic Library Tax	$ 2,067,703	$ 126	0.0%	$ 1,967,372	$ 113	0.0%
Parcel Tax	$ 275,000	$ -	0.0%	$ 275,000	$ -	0.0%
ERAF	$ 400,000	$ 7,989	2.0%	$ 400,000	$ -	0.0%
Grants	$ 62,820	$ -	0.0%	$ 202,194	$ -	0.0%
Desk Revenue Sales & Fines	$ 6,929	$ -	0.0%	$ 20,739	$ 4,080	19.7%
Interest Income	$ 31,329	$ 8,614	0.0%	$ 54,300	$ 20,747	38.2%
Misc. Other Revenue	$ 2,931	$ -	0.0%	$ 4,264	$ 1,479	0.0%
TOTAL GENERAL FUND	$ 2,846,712	16,729	0.6%	$ 2,923,869	$ 26,419	0.9%
DEBT SERVICE						
Principal Repayment	$ (80,000)	$ (80,000)	100.0%	$ (75,000)	$ (75,000)	100.0%
Bond Interest	$ (37,500)	$ (19,950)	53.2%	$ (42,150)	$ (22,200)	52.7%
Fiscal Agent Fees	$ (12,500)	$ (2,348)	18.8%	$ (11,000)	$ (2,322)	21.1%
TOTAL DEBT SERVICE	$ (130,000)	$ (102,298)	78.7%	$ (128,150)	$ (99,522)	77.7%
TOTAL REVENUE AFTER DEBT SERVICE	$ 2,716,712	(85,569)	-3.1%	$ 2,795,719	$ (73,103)	-2.6%

Percent of Year Complete	**33.3%**

(1) Basic and Parcel Tax Revenue 55% of tax revenue is received in December
45% of tax revenue is received in April

(2) ERAF 54% of ERAF revenue is received in January
46% of ERAF revenue is received in June

(3) BTLF Grants Endowment grant is received in September
Corner Books and Annual Appeal grants are received in June

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Belvedere-Tiburon Library Agency
Statement of Expenditures
Period Ending October 31, 2020

	FY 2020-21 Budgeted	FY 2020-21 YTD Actual	FY 2020-21 %	FY 2019-20 Budgeted	FY 2019-20 YTD Actual	FY 2019-20 %
GENERAL FUND						
Personnel	$ 1,964,336	$ 685,787	34.9%	$ 1,739,548	$ 675,415	38.8%
Books, Services & Supplies	$ 289,670	$ 170,124	58.7%	$ 278,725	$ 166,015	59.6%
Technology Services (4)	$ 111,300	$ 19,908	17.9%	$ 114,700	$ 24,007	20.9%
Services & Supplies (6)	$ 105,500	$ 20,243	19.2%	$ 89,300	$ 30,517	34.2%
Building Expenses (5)	$ 158,909	$ 50,215	31.6%	$ 162,145	$ 44,822	27.6%
Agency Administration	$ 61,420	$ 17,392	28.3%	$ 55,920	$ 21,509	38.5%
TOTAL GENERAL FUND	**$ 2,691,135**	**963,669**	**35.8%**	**$ 2,440,338**	**$ 962,286**	**39.4%**
ADDITIONS & IMPROVEMENTS						
Technology & Equipment	$ 8,000	$ -	0.0%	$ 8,000	$ -	0.0%
Building Furniture & Fixtures	$ 10,000	$ -	0.0%	$ 20,000	$ -	0.0%
TOTAL ADDITIONS & IMPROVE	**$ 18,000**	**$ -**	**0.0%**	**$ 28,000**	**$ -**	**0.0%**
TOTAL OPERATING EXPENDITURE	**$ 2,709,135**	**$ 963,669**	**35.6%**	**$ 2,468,338**	**$ 962,286**	**39.0%**
NON-OPERATING EXPENSES						
Transfer to Bldg Maintenance Res	$ -	$ -	0.0%	$ -	$ -	0.0%
Use Building Reserve	$ -	$ -		$ -	$ -	
TOTAL NON-OPERATING EXP	**$ -**	**$ -**	**0.0%**	**$ -**	**$ -**	**0.0%**
EXPANSION ACTIVITY						
Expansion Funds Income (7)	$ 13,000,000	$ 2,025,000	15.6%	$ 7,000,000	$ 800,025	11.4%
Less: Expansion Expenditures (7)	$ 13,000,000	$ 1,993,382	15.3%	$ 7,000,000	$ 860,789	12.3%
NET EXPANSION ACTIVITY	**$ -**	**$ 31,618**		**$ -**	**$ (60,764)**	

Percent of Year Complete	**33.3%**

(4) Technology Services — Annual MARINet charge is paid in the Fall. There are other small MARINet expenses paid throughout the year

(5) Building Expenses — Building and Liability insurance is paid in September

(6) Public Relations and Postage — Three to Four newsletters are done annually: Fall, Winter, Spring, and Special Issue (if appropriate). Costs in the Public Relations and Postage line items show an increase at those times

(7) Expansion Activity — Transfer of Funds from Foundation can be a slight timing difference across fiscal year from the timing of related expenditures.

Special meeting
BELVEDERE-TIBURON LIBRARY AGENCY
Belvedere-Tiburon Library, Tiburon, California
October 19, 2020

Roll Call, Present: Chair William Smith, Vice Chair Niran Amir, Treasurer Jeff Slavitz, Thomas Cromwell, Lawrence Drew, Maureen Johnson, Ken Weil

Members Absent: None

Also Present: Glenn Isaacson, Chris Ford of BRW, Deborah Mazzolini, Rachael Ong, Nancy Kemnitzer, Ivan Silva, Deirdre McCrohan, Kristin Johnson

CALL TO ORDER: **Chair Smith called the meeting to order at 6:19 pm**

OPEN Forum: Chair Smith opened the floor to comments or questions not on the Agenda. There were none.

1. Chair's Report

Chair Smith turned the floor over to Director Mazzolini, Glenn Isaacson, and Rachael Ong.

2. Library Director's Report

Director Mazzolini reported that curbside service and online library activities are going smoothly. Average transaction count for the current 4-hour curbside shift is around 600 items per day. Patrons are very appreciative. Library staff are weeding books that haven't been checked out this year. Many other books and items will be packed and stored temporarily offsite. There will be a collection migration for popular and new materials into the newer portion of the building while the older building is updated.

Trustee Weil asked about the lighting situation for curbside service during the darker months of fall and winter. Director Mazzolini said that it was yet to be determined whether lighting would be provided or curbside hours would be modified to daylight hours. Trustee Weil asked whether curbside could be extended to Saturday to give patrons more options for pickup and return. Director Mazzolini affirmed Saturday as a possibility, along with indoor service, if possible, at some point.

3. Expansion Update

Project Manager Glenn Isaacson said that progress on the Library construction is going well. The old roof tiles have been removed, and new shingles are being placed. Interior sprinklers have been installed, electricity and plumbing installation are in process, and HVAC installation will begin soon. Drywall will soon arrive, and its placement will further define the new spaces. Updating of the left turn lane on Tiburon Boulevard has been delayed by Caltrans due to other current projects on Tiburon Boulevard. No new date has been determined at this time.

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Mr. Isaacson expressed his thanks to Chris Ford and the team of architects at BRW. They have updated the Library plans for evolving usage changes and for the temporary migration plan to the new building during the update of the old building.

The migration plan was originally reported in December 2019. In March of 2020, Staff moved from the former workroom into the Fink fireplace room (cataloging), a former magazine alcove (Director Mazzolini), a former large print alcove (Teen Librarian Jung), several former audio/visual alcoves (Reference Librarians Della Santina and Silva), a former reference alcove (Clerk Johnson), and the Founder's Room (Circulation service area and staff lunchroom). More alcoves than initially planned were used due to Social Distancing protocols under COVID-19. The old staff workroom and staff kitchen were vacated to facilitate contractor work on electrical and IT closets in that area.

As a result of those moves, Library Staff is currently operating in a reduced space. Spaces marked in green on the power point presented have been turned over to the contractor for work. These include the former parking lot, the former Staff workroom and kitchen, the janitorial and IT closet, the back hallway, and the former front plaza and entryway.

For the next step in construction the Library Staff must vacate all of the currently occupied space in the old Library to turn it over to the contractor. This can occur and keep the library operating only when the Staff and the appropriate collections are moved into the newly built space. The following moves will complete the second migration under the construction plan: (1) The Children's Library will move to its new permanent location. (2) A selection of the collections in the Library nave must be moved into the New Founders Room (3) Staff will relocate into a variety of spaces in the new area: Administration will move into the future story time space in the new Children's Library, Reference Staff will move into the new Conference Room, Circulation Staff will move into the new Corner Books space, and Cataloging will move into the new Maker Space.

Before this second migration the following must occur: (1) Bookshelves must be moved and stocked. (2) Furniture for the Children's Library must be moved and/or received and set up, ready to receive the Children's books. (3) Staff furniture must be moved into each of the temporary staff locations (4) Any surplus of remaining books in the current collections must be taken offsite and stored. (5) All bookshelves in the nave and alcoves must be disconnected from the floor and walls so that redecoration can be completed and carpeting installed,

This second migration should occur in February 2021 and extend for 3 to 5 months in order to re-allocate spaces and refurbish the old portion of the Library.

When the refurbishment of the old portion of the Library is completed, all bookshelves in the nave and alcoves will be reinstalled in the planned new configuration and the third migration of all staff will take place, and patron areas will be finalized in the new permanent configuration.

Director Mazzolini added that operations during the migration must accommodate safety procedures and social distancing under COVID-19 rules. The main Collection is being purposely moved into the new Founders' Room so that books can be properly arranged and retrieved by Circulation and Reference Staff for curbside service. When the winter rains arrive, service may be moved indoors for a minimum number of patrons at a time for the returns and checkouts. This will include adult, teen, and some children's books. If the COVID-19 situation is better and Marin Health and Human Services allows, the Children's Library could be partly opened also. Hopefully, the situation will allow for a full opening when the construction is completed.

Trustee Cromwell asked whether the new portion of the building will be completely finished for the second Staff migration. Mr. Isaacson affirmed that the building would be complete, including heat and ventilation, however, with only one single use restroom situated in the Children's Library available for all staff

Trustee Cromwell asked when the new parking lot would be completed. Mr. Isaacson said that it had been rescheduled for spring of 2021 due to the focus on completion of the new building first to facilitate the Staff migrations, i.e., continued service to patrons.

Chair Smith asked whether furnishings for the completed building would be all new. Mr. Isaacson said that the plan includes both new and old furniture. Current furniture will be used as appropriate, and some new furniture is included in the expansion budget, ordered independently of the construction contractor. The contractor will attach furniture to walls as needed. Delivery of new furniture will be timed for the summer opening of the complete new Library.

Trustee Weil asked how the new carpeting in the building would be protected during the migrations. Mr. Isaacson said that, for the new portion of the building, carpet squares will be ordered in surplus to allow for replacement in the case of damage.

Mr. Isaacson added a reminder that both sections, new and old, will be tented for fumigation for termites from Friday, November 6th through Monday, November 9th.

4. Foundation Report

Foundation President Rachael Ong reported that the Capital Campaign Cabinet will be meeting with Foundation directors this week to develop key strategies for continuing "walk-throughs" of the Library construction site for as long as possible. Foundation Staff have received tremendous feedback from donors and prospective donors who have toured the new building site. Trustee Amir has helped the Foundation set up a presentation to the Reed Union School District Board on November 17th, and RUSD Board President Sherry Wangenheim has already toured the Library construction site. This week Superintendent Nancy Lynch has been updated on the flexibility of the new Library spaces for young people.

The Foundation is also collaborating with Reference Librarian Ivan Silva in the creation of an online tour video to engage donor prospects who aren't able to attend a walk-through in person. The tour video will be available on the Library and Foundation web pages and an email link will be sent out as part of the next phase of the Capital Campaign.

Foundation members and staff are also working on an egalitarian donor recognition wall to be housed on the outside new front entranceway.

Graphic Design for a Campaign thermometer display depicting the status of funds raised through September 30 and funds still needed is in the works for posting in November.

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The annual Petrocelli Luncheon will be held online for the first time ever on December 1, and will feature Elaine Petrocelli's presentation of her annual book list. Invitations will be sent to a larger-than-usual audience in the hope of tripling the number of attendees this year. Chair Smith added that this will be a great opportunity to introduce a new audience to the online lecture/learning environment. President Ong added that Book Passage has a lively online program in place, and that Elaine is pleased to deliver this experience for the Library and its supporters.

Trustee Drew added that foundation Executive Director Jenna Ervice has been very helpful in contacting prospective donors through personalized letters. President Ong said that Trustee Drew has provided 60 new donor prospects

Trustee Cromwell asked about a report on funds still needed. President Ong said that a 3rd quarter report was not yet available.

5. Agency Financial Statements and Quarterly Treasurer's Report September, 2020

Clerk Johnson reported that, with 25% of the year passed, no significant revenues have been received. This is normal, as about 55% of tax revenues are expected in late December, and the remainder in April. Expenses are slightly above par at 28%, due to payment of digital subscriptions of $26,000, MARINet annual payment of $87,000, Insurance payments totaling $33,924 (plus $24,540 charge to insurance reserve) and a CalPERS unfunded payment of $79,000. This is on par compared to prior years for expenses-to-date for the first quarter. Cash operating reserves of $2,259,000 are $120,000 higher than last year as the November low point of the year approaches.

6. Committee Reports

Director Mazzolini reported that Library committees are not active at the moment, but are generating ideas for new programs. Some Committee members have toured the construction site. There are 100 community members on Library Committees, and Staff looks forward to having them on site again in the future.

Director Mazzolini and Project Manager Isaacson met with Art Committee Chair Brenda Bottom and members Diane Green and Susan Norton to discuss the new gallery space. They are excited about the prospect of temporary or permanent sculptures to be featured in the gallery and outdoors around the new Building. They are developing plans for an art hanging system, and placing art in other parts of the Library, also

CONSENT CALENDAR

7/8. Motion to approve the Minutes of September 21, and the Warrants dated September, 2020, made by Trustee Cromwell, seconded by Trustee Drew, all in favor, passed.

TRUSTEE CONSIDERATIONS:

9. Consideration of Website Redesign for the Future

Chair Smith introduced the Staff's website redesign request, a proposal from Project 6 solicited by Reference Librarian Ivan Silva. The proposal includes 2 phases (1) bringing the Library website up to date and (2) adding a special dedicated Library application for patrons.

Director Mazzolini added that she is in full support of the proposal. It has been 7 years since the current website was developed, and a new world of access to resources has ensued. During these years the Library Staff has worked hard to keep the website up to date. The proposed upgrades will transform patron access.

The proposal allows for payments to be made as each phase is completed. It is possible to complete the entire project in time for the new Library opening in summer 2021.

Phase 1, updating the website has 9 phases, would take several months to complete and would cost $77,000.

Phase 2, developing the Library application has 5 phases, will greatly enhance patron interface with information and communication with Library staff, and would cost $43,000.

Completion of both phases would take 8 to 10 months.

Director Mazzolini said that the proposed cost is much lower than it would be without the expert skills of the Library Staff. Reference Librarian Ivan Silva is constantly learning about new technologies and much appreciated for his skills by Staff and Patrons alike.

Chair Smith said that seeing Mr. Silva's summary of other comparable project estimates was useful. He also read a number of Project 6 reviews by other clients, and they were overwhelmingly positive.

Trustee Johnson asked whether any parts of the estimates were optional. She asked about additional charges for third part accessibility and device testing. She asked whether this service should be part of the contract, rather than additional.

Mr. Silva said that Staff will perform user testing with residents of Belvedere and Tiburon. The additional fee allows anonymous online testing so that users from anywhere can test. The third party accessibility will probably not be used for the Library Project.

Trustee Johnson asked whether, if necessary changes were discovered during the testing, there would be additional costs, i.e., would we be paying that? Mr. Silva said that, no, this type of user-centered design has a built-in expectation of multiple iterations which are built in to the proposed contract quote.

Vice Chair Amir addressed the aspect of the Content Management System and Staff ability to update and maintain relevant content. She asked whether ongoing maintenance and bug resolution had been considered in the cost. Director Mazzolini said that Project 6 has been a trusted vendor for 7 years, and a known quantity and quality. The Library would continue with their contracted support services for larger issues. Librarian Silva takes care of ongoing issues in house. If an additional major cost were indicated, the Staff would come back to the Agency for approval.

Vice Chair Amir asked whether Project 6 hosts the Library Website. Mr. Silva said that, no, the Library hosts the site.

Vice Chair Amir asked what the Library's desktop versus mobile application usage was, what other Libraries are doing regarding these platforms, and whether the website could be optimized for mobile use rather than creating an application. Mr. Silva said that the current website is responsive, and acts like an application on any device. Other libraries offer either a responsive website or an application for catalog functions. This proposal is completely different than what any other library is doing right now. The development of Belvedere Tiburon's website 7 years ago was also groundbreaking. We launched and other libraries came to see what we had done and proceeded to copy our website. What we envision with the application is creating an experience that continues to help patrons as they visit the Library. This will include beacon proximity sensors for both online program schedules, and for viewing content on shelves. We hope it will not only be an application that will take advantage of content on the Library's website, but also feature functions that are new to this Library and to the library world.

Trustee Cromwell asked whether the proposed cost of the project, $120,000, would be the maximum outlay over a 2-year period. Mr. Silva affirmed, adding that there may even be savings due to COVID restrictions with respect to in person user testing.

Trustee Drew asked whether community volunteer participation might save on costs. Mr. Silva said that was possible, although he would not recommend it. Based on his experience, cutting corners is not productive for this type of project. The contractor, Project 6, is an award winning design team, and Mr. Siva is experienced in the prior website development. He added that the proposed contract is a very good value, given the proposed work on 2 websites: the base website, and an additional website integration into the application.

Trustee Drew said that any possible savings should be explored, given the cost of the Library expansion. He suggested exploring overlap in the 2 phases which might minimize duplication, and researching costs of other library websites. Director Mazzolini suggested running those ideas by the Project 6 staff, and looking at savings and changes as the project proceeds. Payments are scheduled in phases, so each phase could be approached with savings in mind. Treasurer Slavitz said that he does support saving money, but feels that this project requires a highly skilled and experienced team, and that he would rather see expenses cut elsewhere.

Mr. Silva added that savings could be achieved by just going ahead with the website portion of the project and holding off on the application development. An application already on the market, NPR1, for video content and calendar for hosting events, could be used. Newer innovations such as near beacon sensors which access information would not be included. User research, listening to people in the community, will be very important in determining the path that the Library should take.

Treasurer Slavitz asked whether, after user analysis, the website might be determined sufficient, and the application could be foregone. Mr. Silva affirmed and added that, because the website is the main point of service during the pandemic, there is stronger need to update that back end. However, this is also a very good time to offer a new platform.

Deirdre McCrohan asked whether the Library would have proprietary rights to applications developed. Mr. Silva affirmed that the application would be owned by the Library.

Mr. Silva added that the application would be developed as both IOS and Android concurrently.

Trustee Weil asked whether the application could include touchless checkouts through mobile phones. Mr. Silva said yes, and from anecdotal evidence about 90% of people come to the Library without their Library card. All aspects of the application would be analyzed with the focus of making life easier for Library patrons. For example, chat with a Librarian has just been added to the Library website, and could be upgraded within the application.

Vice Chair Amir asked what the Agency should be approving now. Mr. Silva said that the website upgrade could be approved now, and the application could be approved later.

Motion to approve the website development portion of the Project 6 proposal dated June 10, 2020 for $77,000 made by Treasurer Slavitz, seconded by Trustee Johnson. Roll Call Vote: Ayes: Vice Chair Amir, Treasurer Slavitz, Trustee Cromwell, Trustee Weil, Trustee Johnson, Trustee Drew, Chair Smith. Noes: none. Absent: none, Motion passed.

COMMUNICATIONS & ANNOUNCEMENTS

10. Schedule of 2020 Meeting Dates

The next meeting is scheduled for Monday, November 16, 2020.

A December meeting is not normally scheduled, but may be held for a construction update.

Chair Smith adjourned the meeting at 7:33 pm

Respectfully Submitted,

Kristin M. Johnson, Clerk of the Belvedere-Tiburon Library Agency Board

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BELVEDERE TIBURON LIBRARY AGENCY
OPERATING WARRANTS
OCTOBER 30, 2020

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
OPERATING - PRINTED							
10/30/2020	100868	AMERICAN EXPRESS	100	7601	Books and other Materials	54.07	54.07
10/30/2020	100868	AMERICAN EXPRESS	100	7606	Digital Resources & Content	67.95	67.95
10/30/2020	100868	AMERICAN EXPRESS	100	8071	Website Maintenance	125.00	125.00
10/30/2020	100868	AMERICAN EXPRESS	100	8230	Office Supplies	609.24	609.24
10/30/2020	100868	AMERICAN EXPRESS	100	8250	Children's Program Supplies	28.66	28.66
10/30/2020	100868	AMERICAN EXPRESS	100	8251	Young Adult Programs	197.40	197.40
10/30/2020	100869	BLACKSTONE PUBLISHING	100	7601	Books and other Materials	160.00	160.00
10/30/2020	100870	DELTA DENTAL OF CALIFORNI	100	7110	PERS Insurance Benefits	1,215.40	1,215.40
10/30/2020	100871	DEMCO, INC.	100	7603	Supplies for Processing	596.68	596.68
10/30/2020	100872	DIEGO GONZALES	100	8440	Grounds Maintenance	1,000.00	1,000.00
10/30/2020	100873	EMILIA HAGERMAN	100	8250	Children's Program Supplies	180.00	180.00
10/30/2020	100874	LIBRARY IDEAS LLC	100	7606	Digital Resources & Content	19.50	19.50
10/30/2020	100875	LINCOLN NATIONAL LIFE INS	100	7110	PERS Insurance Benefits	234.88	234.88
10/30/2020	100876	MAZE & ASSOCIATES	100	8835	Auditing	9,165.00	9,165.00
10/30/2020	100877	MILL VALLEY REFUSE	100	8480	Trash	280.15	280.15
10/30/2020	100878	NORTHNET LIBRARY SYSTEM	100	7607	MARINet	2,175.00	2,175.00
10/30/2020	100879	PACIFIC GAS & ELECTRIC	100	8490	Electricity & Gas	1,300.49	1,300.49
10/30/2020	100880	VANTAGEPOINT TRF AGT-457	100	2040	Deferred Comp Deductions	3,670.86	3,670.86
					Total	**$21,080.28**	**$21,080.28**

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BELVEDERE TIBURON LIBRARY AGENCY
OPERATING WARRANTS
OCTOBER 20, 2020

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
OPERATING - HAND CHECKS							
	000307	TPX COMMUNICATIONS	100	8260	Telephone	943.39	943.39
	000308	INGRAM LIBRARY SERVICES	100	7601	Books and Other Materials	8,591.85	
			100	7602	Processing Costs	621.93	9,213.78
	000309	VANTAGEPOINT TRF AGT 457	100	2040	Deferred Compensation Ded	3,670.86	3,670.86
	000310	RILEY F HURD III	100	8840	Legal	787.50	787.50
	000311	WTCOX INFORMATION SYSTEMS	100	7601	Books and Other Materials	14,788.80	14,788.80
	000312	BRODART CO	100	7601	Books and Other Materials	1,089.38	
			100	7602	Processing Costs	51.54	1,140.92
	000313	BUSINESS CARD	100	8020	Online Services	20.98	
			100	8225	Publicity/public relations	128.14	
			100	8230	Office supplies	229.08	
			100	8430	Building maintenance	712.00	1,090.20
	000314	OCLC INC	100	8020	Online Services	105.22	105.22
	000315	GLAVER CIFUNTES (SR BLDG)	100	8450	Janitorial Services	3,650.00	3,650.00
	000316	CENGAGE GALE	100	7601	Books and Other Materials	24.36	24.36
	000317	EBSCO INDUSTRIES	100	8020	Online Services	2,095.00	2,095.00
	000318	LINCOLN NATIONAL LIFE INS	100	7110	PERS Insurance benefits	455.13	455.13
	000319	REDWOOD SECURITY	100	8492	Maintenance Contracts	285.00	285.00
	000320	VOID					0.00
	000321	BLACKSTONE PUBLISHING	100	7601	Books and Other Materials	360.00	360.00
	000322	OVERDRIVE, INC	100	7606	Digital Resources	1,905.24	1,905.24
	000323	BARTEL ASSOCIATES, LLC	100	8835	Audit	2,362.50	2,362.50
	000324	LIBRARY IDEAS LLC	100	7606	Digital Resources	80.50	80.50
	000325	MARIN IT, INC.	100	8020	Online Services	723.00	723.00
	000326	MARIN MUNICIPAL WATER	100	8500	Water	570.23	570.23
	000327	NBS	310	8920	Fiscal Agent Fees	2,347.76	2,347.76
					Total	**$46,599.39**	**$46,599.39**

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BELVEDERE TIBURON LIBRARY AGENCY
EXPANSION WARRANTS
OCTOBER, 2020

Check/Voucher Date	Check/Voucher Number	Payee	Fund Code	GL Code	GL Title	Expenses	Check Total
EXPANSION - HAND CHECKS							
10/26/2020	000201	Alten Construction	200	9045	Site Work	368,193.31	368,193.31
10/26/2020	000202	Alten Escrow	200	9051	Escrow	19,378.60	19,378.60
10/26/2020	000203	BRW Architects	200	9041	Architect	15,730.00	15,730.00
10/26/2020	000204	CMA	200	9048	Project Management	487.50	487.50
10/26/2020	000205	Consolidated Engineering	200	9045	Site Work	727.60	727.60
10/26/2020	000206	Miller Pacific Engineering	200	9045	Site Work	2,470.20	2,470.20
					Total	**$ 406,987.21**	**$ 406,987.21**

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BELVEDERE-TIBURON LIBRARY AGENCY

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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BELVEDERE-TIBURON LIBRARY AGENCY
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Agency'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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Agency'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 purpose of expressing an opinion on the effectiveness of the Agency'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Agency as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

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, 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
October 30, 2020

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, 2020 FINANCIAL HIGHLIGHTS

From the Statement of Net Position on page 14

The Government-Wide Statement of Net Position shows the Agency's assets of $12,719,101; deferred outflows of $430,386; liabilities of $2,363,120; deferred inflows of $213,578; and a net position of $10,572,789 as of June 30, 2020.

The Agency's cash, cash equivalents, and investments totaled $4,760,067 and net capital assets totaled $7,772,345 at June 30, 2020, representing 37% and 61% of the Agency's total assets, respectively.

The Agency's liabilities totaled $2,363,120 as of June 30, 2020 and consist primarily of accounts payable, accrued bonds and capital lease, compensated absences, postemployment benefit obligation and net pension liability.

From the Statement of Activities on page 15

Total Agency revenues were $5,857,176 (general revenues of $2,859,796 and program revenues of $2,996,380 (which included expansion grants of $2,893,523)) compared with total operating expenses of $2,949,485, resulting in an increase in net position of $2,906,691 (which includes $2,776,672 in additions to construction in progress) for the fiscal year ended June 30, 2020.

From the Governmental Funds Statements on pages 16 and 18

General fund balances increased by $413,245. Key factors affecting operating results were the receipt of library tax revenue in excess of budget by $151,879, interest earnings in excess of budget by $11,245, and operating expenses under budget by $137,780. In addition, due to timing differences, Foundation Expansion grants exceeded Expansion capital outlay by $116,851. Expansion activity was budgeted at $7,000,000 for both Grant revenue and for Expenditures. Expansion expenses were under budget, due to a later than expected start, and minor COVID delays, by $4,223,328. Grants from the Library Foundation were requested based on actual expenditures, so were also lower than budget.

Grants from the Belvedere Tiburon Library Foundation totaled $2,956,435 for the fiscal year, including $2,893,523 in Expansion grants. Details of this grant money are found in Note 10 of the financial statements.

Salaries and Benefits costs include Staffing, Retirement and Health Benefits, Payroll Tax Expense, Insurance, and Professional Development Costs. The total Salaries and Benefits were $1,743,970 in 2019 and $1,913,391 in 2020, a 9.7% increase over the prior year mostly due to an increase in required CalPERS retirement employer contributions, increased health benefit participation, and vacation payouts to 2 retirees.

Services and Supplies include materials and other resource purchases, except for book acquisitions which were capitalized for the fiscal year, i.e., included in capital assets on the balance sheet rather than in expenditures. The capitalized collection is depreciated over 7 years. Capitalized resource costs totaled $107,382 in 2019 and $118,681 in 2020. (Total resource expenditures before this capitalization of books were $369,651 in 2019 and $383,956 in 2020, a 4% increase in total purchases). The remaining expensed resource collection costs including print subscriptions, digital content, and database costs were included in Services and Supplies. Costs included in Services and Supplies were $262,269 in 2019 and $265,275 in 2020, a 1% increase.

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OVERVIEW OF FINANCIAL STATEMENTS

The Services and Supplies category also includes Programs, Facilities, and non-capitalized Technology and Equipment and Maintenance costs. The total Services and Supplies was $649,203 in 2019 and $609,499 in, a 6% decrease from the prior year due to COVID-19 related service closures.

Debt service cost for the year on the limited obligation bonds was $117,150 for principal and interest, plus $11,489 in fiscal agent fees in accordance with the CFD1995-1 Bond Issue Agreement.

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 14 - 15.
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.

The Statement of Net Position presents information on all of the Agency's assets and liabilities, with the difference between the two 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.

The Statement of Activities presents information showing how the Agency's net position changed during the fiscal year. Accruals of revenue and expenses are taken into account 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.

Governmental funds financial statements are found on pages 16 & 18.
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities.

Reconciliations between the two types of financial statements are found on pages 17 & 19.
The major differences between fund financial statements and government-wide financial statements are the ways in which capital outlay, debt service, bond issuance costs, compensated absences, retirement costs, and other post-employment benefits are recorded.

Notes to the basic financial statements are found on pages 20-39.
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 40-44.
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, 2020
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

	Governmental Activities		Total Percent
	2020	2019	Change
Cash, cash equivalents and investments	$ 4,760,067	$ 4,281,901	11%
Capital assets, net	7,772,345	5,158,301	51%
Other assets	186,689	275,920	(32)%
Total assets	**12,719,101**	**9,716,122**	31%
Deferred outflows (Pension & OPEB)	430,386	380,910	13%
Total deferred outflows	**430,386**	**380,910**	13%
Series 1996 bonds & capital lease, net	678,867	761,994	(11)%
Net Pension liability	1,172,442	1,037,322	13%
Net Postemployment benefit (OPEB)	235,217	234,345	0%
Other liabilities	276,594	261,971	6%
Total liabilities	**2,363,120**	**2,295,632**	3%
Deferred inflows (Pension & OPEB)	213,578	135,302	58%
Total deferred outflows	**213,578**	**135,302**	58%
Net investment in capital assets	7,093,478	4,396,307	61%
Restricted and Unrestricted	3,479,311	3,269,791	6%
Net position	**$ 10,572,789**	**$ 7,666,098**	38%

Net position serves over time as a useful indicator of the Agency's financial position: Assets exceeded liabilities by $10,572,789 as of June 30, 2020. This number is comprised of three components:

Net investment in capital assets	$7,093,478
Restricted Assets	1,270,682
Unrestricted assets	2,208,629
Total net position	$10,572,789

Net investment in capital assets consists of fixed assets less any related debt that is still outstanding. Unrestricted assets are used to finance day-to-day operations, including debt service.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Changes in Net Position

	Governmental Activities		$	%
	2020	2019	Change	Change
PROGRAM EXPENSES:				
Library Services				
Personnel Cost	$ 1,899,206	$ 1,743,970	$ 155,236	9%
Pension and OPEB Adjustments	217,910	182,341	35,569	20%
Total Personnel Services	2,117,116	1,926,311	190,805	10%
Materials and Programs	474,691	538,821	(64,130)	(12)%
Depreciation and Amortization	304,039	288,484	15,555	5%
Bond Interest & Fiscal Agent Fees	53,639	53,029	610	1%
Total Program Expenses	**2,949,485**	**2,806,645**	**142,840**	**5%**
PROGRAM REVENUES:				
Charges for Services	13,930	26,690	(12,760)	(48)%
Private Grants and Contributions	2,982,450	1,054,345	1,928,105	183%
Total Program Revenues	**2,996,380**	**1,081,035**	**1,915,345**	**177%**
GENERAL REVENUES:				
Property Taxes	2,794,251	2,678,139	116,112	4%
Investment Earnings	65,545	75,704	(10,159)	(13)%
Total General Revenues	**2,859,796**	**2,753,843**	**105,953**	**4%**
Increase in Net Position	**2,906,691**	**1,028,233**	**1,878,458**	**183%**
Net Position - Beginning of Year	7,666,098	6,637,865	1,028,233	15%
Adjustment for Pension & OPEB Liabilities	-			
Net Position - End of Year	**10,572,789**	**7,666,098**	**2,906,691**	**38%**

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GOVERNMENTAL FUNDS ANALYSIS

The following schedule presents a comparison of general fund revenues and expenditures for the fiscal year ended June 30, 2020 to the prior fiscal year.

	Governmental Funds Analysis		$	%
	2020	**2019**	**Change**	**Change**
Basic Library Tax	$ 1,997,105	$ 1,932,650	$ 64,455	3%
Parcel Tax	277,360	277,886	(526)	0%
ERAF	519,786	467,603	52,183	11%
Total intergovernmental	2,794,251	2,678,139	116,112	4%
Private Grants & Contributions:				
Belvedere Tiburon Library Foundation	2,956,435	1,016,522	1,939,913	191%
Miscellaneous Grants & Contributions	26,015	37,823	(11,808)	(31)%
Charges for Services	13,930	26,690	(12,760)	(48)%
Investment Earnings	65,545	75,704	(10,159)	(13)%
Total Revenues	**5,856,176**	**3,834,878**	**2,021,298**	**53%**
Salaries and Benefits	1,913,391	1,743,970	169,421	10%
Services and Supplies	609,499	649,203	(39,704)	(6)%
Principal	75,000	70,000	5,000	7%
Interest and Fiscal Agent Fees	53,639	59,615	(5,976)	(10)%
Capital Outlay	2,791,402	911,771	1,879,631	206%
Total Expenditures	**5,442,931**	**3,434,559**	**2,008,372**	**58%**
Excess of Revenues over Expenditures	**413,245**	**400,319**	**12,926**	**3%**
Fund Balances, Beginning of Year	4,497,196	4,096,877	400,319	10%
Fund Balances, End of Year	**$ 4,910,441**	**$ 4,497,196**	**$ 413,245**	**9%**

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GOVERNMENTAL FUNDS ANALYSIS

	June 30, 2019	Increase/ (Decrease)	June 30, 2020
Nonspendable deposits	$ 15,898	$ 15,832	$ 31,730
Restricted for building expansion	1,000,000	0	1,000,000
Restricted for debt service	207,334	(107,178)	100,156
Restricted for library programs	63,348	20,310	83,658
Committed for operations	2,843,822	484,281	3,328,103
Committed for Insurance	50,000	0	50,000
Committed for building maintenance	316,794	0	316,794
	$ 4,497,196	$ 413,245	$ 4,910,441

COMMENTS ON BUDGET COMPARISONS

see Required supplementary information on page __

Total operating revenues exceeded the amount budgeted by $4,711. This was mainly due to a positive $151,879 variance in tax revenues, a negative variance in Foundation operating grants of $(139,282) and a positive $11,245 variance in investment earnings. Foundation Operating Grants were smaller due to focus on the Library Expansion.

Total operating expenditures were less than the amount budgeted by $137,778. This was mainly due to closures during the COVID-19 pandemic and the Library Expansion construction.

The budget for the Library Expansion was $7,000,000 for both grant revenue and capital outlay. Actual Foundation grants received were $2,893,523 and actual Capital Outlay totaled $2,776,672.

HISTORY AND ECONOMIC FACTORS

The history of the Agency organization is described in Note 1 of the financial statements. The main source of revenue for the Agency is property taxes as described in Note 1 of 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. In Fiscal Year 2020, no amount was added to the Building Reserve, as financial focus was on the building expansion. In Fiscal Year 2018, $500,000 of the Building Reserve and $500,000 of previously Unassigned Reserves were transferred to a newly established Library Expansion Reserve of $1,000,000, and any remaining funds each year will be reserved for operations via Agency Resolution No. 235-2017.

The Agency is presently investing time and resources into the expansion of the library. The final environmental impact report for this project was approved in August 2011. The Tiburon Town Council approved the site plan and architectural drawings in August 2012. Completion of the expansion is expected in summer of 2021. For additional information regarding the progress of the expansion project, please refer to the Agency's website under "Library Expansion."

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020
REQUEST FOR INFORMATION

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.

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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, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash, cash equivalents and investments (Note 3)	$4,760,067
Accounts and interest receivable (Note 4)	154,959
Prepaids	31,580
Security deposit	150
Total current assets	4,946,756
Noncurrent assets:	
Nondepreciable capital assets (Note 5)	6,781,894
Depreciable capital assets, net (Note 5)	990,451
Total capital assets, net of accumulated depreciation	7,772,345
Total Assets	12,719,101
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension (Note 8)	415,531
Related to OPEB (Note 9)	14,855
Total Deferred Outflows of Resources	430,386
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	36,315
Long-term debt - due within one year (Note 6)	90,028
Total current liabilities	126,343
Non-current liabilities:	
Compensated absences (Note 2F)	240,279
Long-term debt - due in more than one year (Note 6)	588,839
Net Pension Liability (Note 8)	1,172,442
Net OPEB Liability (Note 9)	235,217
Total Liabilities	2,363,120
DEFERRED INFLOWS OF RESOURCES	
Related to pension (Note 8)	154,414
Related to OPEB (Note 9)	59,164
Total Deferred Inflows of Resources	213,578
NET POSITION (Note 7A)	
Net investments in capital assets	7,093,478
Restricted	1,183,814
Unrestricted	2,295,497
Total Net Position	$10,572,789

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, 2020

	Governmental Activities
PROGRAM EXPENSES:	
Library services:	
Personnel services	$2,117,116
Materials and services	474,691
Depreciation and amortization	304,039
Interest	53,639
Total Program Expenses	2,949,485
PROGRAM REVENUES:	
Charges for services	13,930
Operating grants and contributions	88,927
Capital grants and contributions	2,893,523
Total Program Revenues	2,996,380
Net Program Income	46,895
GENERAL REVENUES:	
Property taxes	2,794,251
Investment earnings	65,545
Total General Revenues	2,859,796
Increase in Net Position	2,906,691
Net position - beginning of year	7,666,098
Net position - end of the year	$10,572,789

See accompanying notes to basic financial statements.

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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, 2020

ASSETS	
Cash, cash equivalents and investments (Note 3)	$4,760,067
Accounts and interest receivable (Note 4)	154,959
Prepaids	31,580
Security deposit	150
Total Assets	$4,946,756
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued liabilities	$36,315
Total Liabilities	36,315
Fund Balances (Note 7B):	
Nonspendable for prepaids and security deposit	31,730
Restricted for:	
Building expansion	1,000,000
Debt service	100,156
Library programs	83,658
Committed for:	
Operations	3,328,103
Insurance	50,000
Building maintenance	316,794
Total Fund Balances	4,910,441
Total Liabilities and Fund Balances	$4,946,756

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, 2020

Total Fund Balances - Governmental Funds		$4,910,441
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	$12,459,007	
Less: Accumulated depreciation	(4,686,662)	7,772,345
Deferred outflows of resources related to pension		415,531
Deferred outflows of resources related to OPEB		14,855
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	(678,867)	
Compensated absences	(240,279)	
Net Pension Liability	(1,172,442)	
Net OPEB Liability	(235,217)	
Deferred inflows of resources related to pension	(154,414)	
Deferred inflows of resources related to OPEB	(59,164)	(2,540,383)
Net Position - Governmental Activities		$10,572,789

See accompanying notes to basic financial statements

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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, 2020

REVENUES	
Intergovernmental:	
Basic library tax	$1,997,105
Parcel tax	277,360
ERAF	519,786
Total Intergovernmental	2,794,251
Private grants and contributions:	
Belvedere-Tiburon Library Foundation (Note 10)	2,956,435
Miscellaneous gifts and donations (Note 10)	26,015
Charges for service	13,930
Investment earnings	65,545
Total Revenues	5,856,176
EXPENDITURES	
Current - Library Services:	
Personnel costs	1,913,391
Services and supplies	609,499
Debt service:	
Principal	75,000
Interest	53,639
Capital outlay	2,791,402
Total Expenditures	5,442,931
Excess of Revenues over Expenditures	413,245
Fund Balances, Beginning of Year	4,497,196
Fund Balances, End of Year	$4,910,441

See accompanying notes to basic financial statements.

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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, 2020

Net Changes in Fund Balances - Governmental Funds		$413,245
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	$2,791,402	
Services and supplies (Books)	126,681	
Depreciation and amortization expense	(304,039)	2,614,044
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		(38,933)
Change in pension liabilities		(142,566)
Change in OPEB liabilities		(22,226)
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		75,000
Principal repayments on capital lease		8,127
Changes in Net Position - Governmental Activities		$2,906,691

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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.

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 Administrative Assistant to the Library Director, 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.

During fiscal year ended June 30, 2020, the Agency incurred debt service interest and fiscal charges and services and supplies expenditures in excess of its budget in the amounts of $489 and $51,084, respectively, primarily due to capital expenditures related to the library expansion. The excess expenditures were funded by available financial resources and other financing resources.

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.

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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. During fiscal year ended June 30, 2020, as a result of the COVID-19 pandemic, the Agency allowed employees to accrue more than their maximum hours. This allowance is expected to be temporary.

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, 2020 was $240,279.

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. 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.

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.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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.

J. 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.

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, 2020:

Held by Agency:	
Petty cash	$200
Deposits with financial institutions	736,802
Local Agency Investments Fund	3,740,936
Held by Fiscal Agent:	
Money Market Mutual Fund	282,129
Total Cash, Cash Equivalents and Investments	$4,760,067

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NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS Continued)

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	50%	None
State Local Agency Investment Fund	None	N/A	100%	None

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.

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, 2020, these investments matured in an average of 191 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.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS Continued)

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.

NOTE 4 – ACCOUNTS AND INTEREST RECEIVABLE

Accounts and interest receivable consist of the following at June 30, 2020:

Parcel Tax	$14,192
Basic Tax	105,343
ERAF	18,519
LAIF Interest	12,709
Other Receivables	4,196
	$154,959

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.

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NOTE 5 – CAPITAL ASSETS (Continued)

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 years
Website	7 years

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions/ Transfers	Retirements	Balance June 30, 2020
Non-depreciable assets:				
Land	$1,606,560			$1,606,560
Construction-in-progress	2,398,662	$2,776,672		5,175,334
Depreciable assets:				
Books	2,706,550	118,681	($55,157)	2,770,074
Buildings and improvements	2,351,952			2,351,952
Computers and equipment	145,685	17,431		163,116
Furniture and fixtures	309,097	5,299		314,396
Website	77,575			77,575
	9,596,081	2,918,083	(55,157)	12,459,007
Accumulated depreciation:				
Books	(2,273,470)	(175,899)	55,157	(2,394,212)
Buildings and improvements	(1,724,757)	(78,398)		(1,803,155)
Computers and equipment	(111,930)	(24,272)		(136,202)
Furniture and fixtures	(272,212)	(14,388)		(286,600)
Website	(55,411)	(11,082)		(66,493)
	(4,437,780)	(304,039)	$55,157	(4,686,662)
Capital assets, net of depreciation	$5,158,301	$2,614,044		$7,772,345

Construction in progress costs include planning and pre-development costs (architectural, environmental reporting, planning, etc.) related to the proposed expansion of the existing library facility. 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 which extended the expiration date to August 1, 2022. The Town shall transfer the title of the property to the Agency within sixty (60) days of written notice of obtaining satisfactory evidence of sufficient funds to complete the expansion project. As of June 30, 2020, construction on the library expansion project is well underway, is on budget, and expected to be completed in Summer of 2021.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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, 2020:

	Balance June 30, 2019	Additions	Payments	Balance June 30, 2020	Due within one year
Governmental Activities:					
Series 1996 Special Tax Bonds	$740,000		$75,000	$665,000	$80,000
2016 Copier Capital Leases	21,994		8,127	13,867	10,028
	$761,994	$0	$83,127	$678,867	$90,028

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.

Equipment Lease – Color Copier

In October 2016, the Agency entered into a lease purchase agreement with Discovery Office Systems to finance a Kyocera 4550ci copier/printer. The lease provides for 60 monthly payments of $924 plus tax, including principal and interest, commencing November 2016 and ending October 2021.

Payments on the bonds for the succeeding five years and thereafter are as follows:

Fiscal Year	Principal	Interest	Total
2021	$80,000	$37,500	$117,500
2022	85,000	32,550	117,550
2023	90,000	27,300	117,300
2024	95,000	21,750	116,750
2025	100,000	15,900	115,900
2026-2027	215,000	13,050	228,050
Total	$665,000	$148,050	$813,050

The total annual minimum annual payments on the capital lease are as follows:

Fiscal Year	Principal	Interest	Total
2021	$10,028	$2,003	$12,031
2022	3,839	171	4,010
Total	$13,867	$2,174	$16,041

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 50% of operating expenditures in reserves.

Fund balances classifications at June 30, 2020 are presented on the General Fund Balance Sheet.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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 6.75% or 7% of their covered salary for the Miscellaneous Plan. The Agency contributes 5% of the 7% CalPERS contribution required of Classic Members. 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.

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NOTE 8 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 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	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.0%	6.75%
Required employer contribution rates	9.680%	6.985%

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, 2020, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous
Contributions - employer	$183,918

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2020, the Agency reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous - Classic & PEPRA	$1,172,442

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	Miscellaneous
Proportion - June 30, 2018	0.02752%
Proportion - June 30, 2019	0.02928%
Change - Increase (Decrease)	0.00175%

For the year ended June 30, 2020, the Agency recognized pension expense of $142,566. At June 30, 2020, 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	$183,918	
Differences between actual and expected experience	81,431	($6,309)
Changes in assumptions	55,907	(19,819)
Net differences between projected and actual earnings on plan investments		(20,498)
Net difference in actual contribution and proportion contributions	6,509	(107,788)
Adjustment due to differences in proportions	87,766	
Total	$415,531	($154,414)

$183,918 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, 2021. 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
2021	$91,977
2022	(22,223)
2023	3,304
2024	4,141
Total	$77,199

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NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015)

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. 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.

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.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

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 Years 1 - 10(2)	Real Return Years 11+(3)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0%	-0.92%
Total	100%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short Term Investments; Inflation Asssets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

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 7.15%, 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	6.15%
Net Pension Liability	$1,956,658
Current Discount Rate	7.15%
Net Pension Liability	$1,172,442
1% Increase	8.15%
Net Pension Liability	$525,126

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

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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, 2020:

Eligibility	• Retire directly from Library under CalPERS - Service - Age 50 & 5 years CalPERS service, or - Disability
Retiree Medical Benefit	Library contributes PEMHCA minimum retirees participating in PEMHCA medical plan: Year — PEMHCA Minimum 2019 — $ 136 2020 — 139 2021 — 143 2022+ — Increase at CPI-U Medical
Surviving Spouse Benefit	• Surviving spouse coverage based on retirement plan election • Same benefit continues to surviving spouse
Other OPEB	• No dental, vision, life insurance or Medicare reimbursement
Implied Subsidy	• Participating retirees pay active rates vs actual cost • Implied subsidy included in valuation

For the year ended June 30, 2020, the Agency's contributions to the Plan were $4,286.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2019:

Active employees	17
Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	3
Total	22

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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, 2019 and was determined by an actuarial valuation dated June 30, 2019 to determine the June 30, 2020 total OPEB liability as of June 30, 2019, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Actuarial Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Assumptions:	
Discount Rate	- 3.50% at June 30, 2019 (Bond Buyer 20-bond Index) - 3.87% at June 30, 2018 (Bond Buyer 20-bond Index)
General Inflation	2.75% per annum
Salary Increases	- Aggregate - 3.00% - Merit - CalPERS 1997-2015 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Medical Trend	- Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 - Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
PEMHCA Minimum Increase	4.25% 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

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, 2019 Reporting Date	$234,345
Changes Recognized for the Measurement Period:	
Service cost	25,387
Interest on the total OPEB liability	9,968
Actual vs. expected experience	(40,637)
Changes of assumptions	10,440
Benefit payments	(4,286)
Net changes	872
Balance at June 30, 2020 Reporting Date	$235,217

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 (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1% (2.50%)	Current Discount Rate (3.50%)	Discount Rate +1% (4.50%)
$274,239	$235,217	$203,671

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/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$193,997	$235,217	$288,642

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, 2020, the Agency recognized OPEB expense of $22,226. At June 30, 2020, 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	$5,562	
Differences between actual and expected experience		$36,171
Changes of assumptions	9,293	22,993
Total	$14,855	$59,164

$5,562 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, 2021. 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
2021	($7,585)
2022	(7,585)
2023	(7,585)
2024	(7,585)
2025	(7,585)
Thereafter	(11,946)
Total	($49,871)

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – FOUNDATION GRANTS

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, 2020) consist of the following:

	Grant Revenue		
	Inception-to-Date June 30, 2019	Total Grants Fiscal Year 2020	Inception-to-Date June 30, 2020
Construction: Original Building 1997	$1,959,581		$1,959,581
Construction: Library Expansion 2019	1,585,152	$2,893,523	4,478,675
Collection - Original Book Collection 1997-2001	882,534		882,534
Collection -BTLF (Foundation) Annual Appeal	1,258,138	60,000	1,318,138
Collection - BTLF's Corner Books	224,000		224,000
Programs & Operations - BTLF Endowments	1,191,564	2,912	1,194,476
Programs - BTLF's Bookmarks	324,412		324,412
Total Belvedere Tiburon Library Foundation Grants	$7,425,381	$2,956,435	$10,381,816

Grant revenues for the fiscal year ended June 30, 2020 were as follows:

Belvedere Tiburon Library Foundation (BTLF)	
Construction: Library Expansion	$2,893,523
Collection -BTLF (Foundation) Annual Appeal	60,000
Programs - BTLF Endowments	2,912
Sub-Total Belvedere Tiburon Library Foundation Grants	2,956,435
Miscellaneous Gift and Donations	
BTLA Art Committee	4,700
Miscellaneous Donations	21,315
Total Private Grants and Conributions	$2,982,450

NOTE 11 – RISK MANAGEMENT

The Agency is a member of the Pooled Liability Assurance Network (PLAN), through the Town of Tiburon, which provides general liability coverage of $30,000,000 above the Agency's deductible of $50,000 per occurrence, risk property insurance of $1,000,000,000 above the Agency's deductible of $5,000 for property damage and $5,000 for auto/vehicle damage. PLAN is governed by a board consisting of representatives from member municipalities. The board controls the operations of PLAN, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The Agency has paid $13,765 in premiums during fiscal year ended June 30, 2020. Audited financial statements may be obtained from PLAN Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The Agency is also a member of Republic Indemnity Company of America, which provides workers compensation and employment practices liability coverage of $1,000,000. The Agency has no deductible for the claims and has paid $7,987 in premiums during fiscal year ended June 30, 2020. Audited financial statements may be obtained from Republic Indemnity Company of America, 15821 Ventura Blvd, Suite 370, Encino, CA 91436.

The Agency does not have any liability for uninsured claims, including estimated claims incurred but not reported for fiscal year ended June 30, 2020. Settlements have not exceeded insurance coverage in the past three years.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Library Expansion Project

The Agency entered into a cost-sharing agreement with the Town of Tiburon in June 2019, for a total contribution of $600,000 from the Town toward the Library Expansion Project, split over a period of four years. The Town will be making four (4) contributions of $150,000 each over four fiscal years starting in August 2019.

In September 2019, the Agency awarded a bid for the Library Expansion project construction services to Alten Construction, Inc. for $12,633,800. The construction began during fiscal year ended June 30, 2020. Funds will come from the Library Foundation and the Mechanics Bank line of credit. Fundraising by the Foundation continues in order to avoid using the line of credit.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Revenues:			
Intergovernmental:			
Basic library tax	$1,967,372	$1,997,105	$29,733
Parcel tax	275,000	277,360	2,360
ERAF	400,000	519,786	119,786
Total intergovernmental	2,642,372	2,794,251	151,879
Private grants & contributions:			
Belvedere-Tiburon Library Foundation - Operating	202,194	62,912	(139,282)
Belvedere-Tiburon Library Foundation - Expansion	7,000,000	2,893,523	(4,106,477)
Miscellaneous gifts & donations	32,195	26,015	(6,180)
Charges for services	26,881	13,930	(12,951)
Investment earnings	54,300	65,545	11,245
Total Revenues	9,957,942	5,856,176	(4,101,766)
Expenditures:			
Current - Library Services:			
Personnel costs	1,926,704	1,913,391	13,313
Services and supplies	731,182	609,499	121,683
Debt service:			
Principal	75,000	75,000	
Interest and fiscal charges	53,150	53,639	(489)
Capital outlay:			
Expansion	7,000,000	2,776,672	4,223,328
Other	18,000	14,730	3,270
Total Expenditures	9,804,036	5,442,931	4,361,105
Excess of revenues over expenditures	$153,906	413,245	$259,339
Fund balances, beginning of year		4,497,196	
Fund balances, end of year		$4,910,441	

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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

	Miscellaneous Plan					
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's proportion of the Net Pension Liability (Asset)	0.01024%	0.02324%	0.02544%	0.02698%	0.02752%	0.02928%
Plan's proportion share of the Net Pension Liability (Asset)	$637,621	$637,654	$883,572	$1,063,688	$1,037,322	$1,172,442
Plan's Covered Payroll	$1,057,330	$1,081,598	$1,129,322	$1,139,794	$1,186,789	$1,223,832
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%	95.80%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26	77.73%

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

BELVEDERE-TIBURON LIBRARY AGENCY

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

SCHEDULE OF CONTRIBUTIONS

	Miscellaneous Plan					
Fiscal Year Ended June 30	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Contractually required contribution (actuarially determined)	$116,149	$115,449	$138,093	$110,838	$103,885	$183,918
Contributions in relation to the actuarially determined contributions	(116,149)	(115,449)	(138,093)	(110,838)	(103,885)	(183,918)
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0
Covered payroll	$1,081,598	$1,129,322	$1,139,794	$1,186,789	$1,223,832	$1,297,054
Contributions as a percentage of covered payroll	10.74%	10.22%	12.12%	9.34%	8.49%	14.18%

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	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015)

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

BELVEDERE-TIBURON LIBRARY AGENCY

Other Post-Employment Benefits (OPEB)
Last 20 Fiscal Years *

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement period	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability			
Service Cost	$29,649	$26,163	$25,387
Interest	6,625	8,510	9,968
Benefit changes			
Differences between expected and actual experience			(40,637)
Assumption changes	(24,569)	(9,989)	10,440
Benefit payments	(2,286)	(3,734)	(4,286)
Changes of benefit terms			
Net change in total OPEB liability	9,419	20,950	872
Total OPEB liability - beginning	203,976	213,395	234,345
Total OPEB liability - ending	$213,395	$234,345	$235,217
Covered payroll	$1,129,395	$1,192,875	$1,375,610
Total OPEB liability as a percentage of covered payroll	18.9%	19.6%	17.1%

BELVEDERE-TIBURON LIBRARY AGENCY

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2020

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BELVEDERE-TIBURON LIBRARY AGENCY
REQUIRED COMMUNICATIONS

For The Year Ended June 30, 2020

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REQUIRED COMMUNICATIONS

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

We have audited the basic financial statements of the Belvedere-Tiburon Library Agency (Agency) for the year ended June 30, 2020. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB 95 – ***Postponement of the Effective Dates of Certain Authoritative Guidance***

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

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- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. However, events that occurred during fiscal year June 30, 2020 discussed below could have an impact on the financial statements:

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether shelter in place orders will be reinstated. Although many of the Agency's services are considered essential, the library was closed to the public and certain other services transitioned to online-only. The ultimate financial impact and duration cannot be reasonably estimated at this time.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significances to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on accounting valuations determined by the California Public Employees Retirement System, which are based on the experience of the Agency. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liabilities and OPEB–Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Agency. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 2F to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit

Management Representations

We have requested certain representations from management that are included in a management representation letter dated October 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

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This information is intended solely for the use of Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Pleasant Hill, California
October 30, 2020

BELVEDERE-TIBURON LIBRARY AGENCY

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED JUNE 30, 2020

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BELVEDERE-TIBURON LIBRARY AGENCY
MEMORANDUM ON INTERNAL CONTROL

For the Year Ended June 30, 2020

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MEMORANDUM ON INTERNAL CONTROL

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

In planning and performing our audit of the basic financial statements of the Belvedere-Tiburon Library Agency (Agency) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Board of Trustees and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Pleasant Hill, California
October 30, 2020

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2020/21:

GASB 84 – ***Fiduciary Activities***

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 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.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB 90 – ***Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61)***

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

EFFECTIVE FISCAL YEAR 2021/22:

GASB 87 – ***Leases***

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.

A lease is defined as a contract that conveys control of 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. Any contract that meets this definition should be accounted for under the lease's guidance, unless specifically excluded in this Statement.

GASB 89 – ***Accounting for Interest Cost Incurred before the End of a Construction Period***

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB 92 – *Omnibus 2020*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB 97 – ***<u>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32 (Continued)</u>***

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

EFFECTIVE FISCAL YEAR 2022/23:

GASB 91 – *Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  (1) an issuer
  (2) a third-party obligor, and
  (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

GASB 91 – ***Conduit Debt Obligations (Continued)***

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitment's issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

GASB 94 – ***Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

PPPs – This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancelable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

A transferor generally should recognize an underlying PPP asset as an asset in financial statements prepared using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. Measurement of a receivable for installment payments should be at the present value of the payments expected to be received during the PPP term. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

This Statement requires a transferor to recognize a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements prepared using the current financial resources measurement focus. Governmental fund revenue would be recognized in a systematic and rational manner over the PPP term.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (Continued)*

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). An operator should report an intangible right-to-use asset related to an underlying PPP asset that either is owned by the transferor or is the underlying asset of an SCA. Measurement of the right-to-use asset should be the amount of consideration to be provided to the transferor, plus any payments made to the transferor at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an SCA, an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term.

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP. To allocate the contract price to different components, a transferor and an operator should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining the best estimate is not practicable, multiple components in a PPP should be accounted for as a single PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. A PPP termination should be accounted for by a transferor by reducing, as applicable, any receivable for installment payments or any receivable related to the transfer of ownership of the underlying PPP asset and by reducing the related deferred inflow of resources. An operator should account for a termination by reducing the carrying value of the right-to-use asset and, as applicable, any liability for installment payments or liability to transfer ownership of the underlying PPP asset. A PPP modification that does not qualify as a separate PPP should be accounted for by remeasuring PPP assets and liabilities.

APAs – An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

GASB 96 – *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.

GASB 96 – *Subscription-Based Information Technology Arrangements (Continued)*

- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

How the Changes in this Statement will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES FOR COMPLIANCE WITH THE PROPOSITION 111 2019-2020 APPROPRIATIONS LIMIT INCREMENT

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

We have performed the procedures below which were agreed to by the Belvedere-Tiburon Library Agency, California (Agency), on the Agency's Appropriations Limit Worksheet (Worksheet) for the year ended June 30, 2020. The Agency's management is responsible for the Worksheet. These procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. The sufficiency of these procedures is solely the responsibility of the Agency. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

A. We obtained the Appropriations Limitation Worksheet and determined that the 2019-2020 Appropriations Limit of $1,600,803 and annual adjustment factors were adopted by Resolution of the Board of Trustees. We also determined that the population and inflation options were selected by a recorded vote of the Board of Trustees.

B. We recomputed the 2019-2020 Appropriations Limit by multiplying the 2018-2019 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.

C. For the Worksheet, we agreed the Per Capita Income Factor and County Population Factor to California State Department of Finance Worksheets.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Pleasant Hill, California
October 30, 2020

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES FOR COMPLIANCE WITH THE PROPOSITION 111 2019-2020 APPROPRIATIONS LIMIT INCREMENT

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

We have performed the procedures below which were agreed to by the Belvedere-Tiburon Library Agency, California (Agency), on the CFD 1995-1's Appropriations Limit Worksheet (Worksheet) for the year ended June 30, 2020. The Agency's management is responsible for the Worksheet. These procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. The sufficiency of these procedures is solely the responsibility of the Agency. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

A. We obtained the Appropriations Limitation Worksheet for the CFD 1995-1 and determined that the 2019-2020 Appropriations Limit of $927,523 and annual adjustment factors were adopted by Resolution of the Board of Trustees. We also determined that the population and inflation options were selected by a recorded vote of the Board of Trustees.

B. We recomputed the 2019-2020 Appropriations Limit by multiplying the 2018-2019 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.

C. For the Worksheet, we agreed the Per Capita Income Factor and County Population Factor to California State Department of Finance Worksheets.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Pleasant Hill, California
October 30, 2020

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Belvedere-Tiburon Library Agency
Future Meeting Dates

No December meeting unless deemed necessary (December 14 or 21, 2020)
January 11, 2021 (second Monday due to MLK Holiday)
February 8, 2021 (second Monday due to Presidents' Day Holiday)
March 15, 2021
April 19, 2021
May 17, 2021
June 21, 2021
July 19, 2021

All meetings are held at 6:15 pm remotely via Zoom
Unless otherwise noted