

AGENDA
BELVEDERE TIBURON LIBRARY FINANCE COMMITTEE
Meeting of Friday, February 6, 2026, 11:30am

Belvedere Tiburon Library
1501 Tiburon Blvd, Tiburon, California

PUBLIC NOTICE

This meeting will be held in person in the Library.

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENT

This is an opportunity for any citizen to briefly address the BTLA Finance Committee on any matter that does not appear on this agenda. Upon being recognized by the Treasurer, 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 Committee consideration may be placed on the agenda for further discussion at a later meeting.

DISCUSSION ITEMS – Finance Committee – Trustees Goldman, Slavitz, and Weil

1. Approve Minutes of September 8, 2025.
2. Review Audit Financial Statement Draft for the Fiscal Year ended June 30, 2025.
3. Discuss Library Purchasing Policy.
4. Discuss the possibility of Moving Checking Account to Wells Fargo.

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS IN
ACCORDANCE WITH THE NOTICING STANDARD REQUIREMENTS

Belvedere-Tiburon Library Website – www.beltiblibrary.org
Belvedere-Tiburon Library, 1501 Tiburon Boulevard, Tiburon CA

NOTICE: WHERE TO VIEW AGENDA MATERIALS

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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.

DRAFT FOR AGENCY REVIEW

**REGULAR Meeting
BELVEDERE-TIBURON LIBRARY AGENCY
FINANCE COMMITTEE
Belvedere-Tiburon Library, Tiburon, California
September 8, 2025**

Roll Call, Present: Treasurer Jeff Slavitz, Pamela Goldman, Kenneth Weil

Members Absent:

Also Present: BTL Foundation: Toni Lee, Treasurer, Library Staff: Crystal Duran, Kristin Johnson,

CALL TO ORDER: Treasurer Slavitz called the meeting to order at 1:00 pm.

OPEN Forum:

Treasurer Slavitz opened the floor to comments or questions from the public.

There were none.

STAFF BOARD AND COMMITTEE REPORTS

1. Motion to approve the Finance Committee Minutes:

Ayes: All in favor

Absent: None

Noes: None

Motion passed.

2. Motion to recommend the transfer of Wealth Management funds to LAIF to the Agency Board:

Ayes: All in favor

Absent: None

Noes: None

Motion passed.

Treasurer Slavitz adjourned the meeting at 1:40 pm.

Respectfully Submitted,

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

Review of FY 25 BTLA Audit Draft:

Notes for January 20, 2025 Finance Committee Meeting

Statement of Net Position (Government-Wide) (Pages 6 and 11)

There was a **decrease in overall Net Position of \$345,000 (-)**, mostly due to changes in Cash and Net Capital Assets.

Cash increased by about \$320,000 (+)

Net Operating Activity (before depreciation) of \$548,000 (+)

Capital Additions of \$301,000 (-)

Capital Contributions of \$20,000 (+)

Balance Sheet Changes of \$53,000 (+)

Net Capital Assets decreased by about \$611,000 (-) (See Note 5, Page 24).

Capital Additions of \$301,000 (+)

Depreciation of \$912,000 (-)

Pension and OPEB Liabilities increased by about \$22,000 (-)

Pension and OPEB related Deferred Outflows and Deferred Inflows combined for a negative \$107,000 (-)

Other Assets and Liabilities combined for a positive \$75,000 (+)

Statement of Activities (Government-Wide) (Pages 7 and 12)

General Revenues increased by \$204,000 (+)

Tax Revenues increased by \$220,000 (+)

Investment Revenues decreased by \$16,000 (-)

Program revenues decreased by \$160,000

Charges for Services and Operating Grants increased by \$28,000 (+)

Capital Grants decreased by \$187,000 (-)

Personnel Expenses increased from prior year by about \$160,000

Full Staffing and Step/Cola increases of \$154,000 (+)

Health Insurance coverage and premium increase of \$47,000 (+)

CalPERS UAL increased funding of \$20,000 (+)

Personnel related Insurance, Development, Recruitment increase of \$6,000 (+)

Net Deferred Pension, OPEB, and Compensated Absence adjustments decrease of \$97,000 (-) Prior Year Adjustments Increase of \$30,000 (+)

Review of FY 25 BTLA Audit Draft:

Notes for January 20, 2025 Finance Committee Meeting

Statement of Activities (Government-Wide) (Pages 7 and 12) (continued)

Materials & Program Expenses increased by \$138,000 as follows:

Circulation Materials and Data increased by \$34,000, or 12%.

Technology Services increased by \$28,000 or 31%.

Program Services and Supplies increase by \$21,000 or 16%.

Building Expenses increased by \$7,000 or 2%.

Agency Administration increased by \$48,000 or 30%, mostly due to Legal and Consulting Expenses.

Balance Sheet (Operations only) (Pages 8 and 13)

Governmental (Operations/Functional Activities) Fund Balance Increased by \$265,000 (this is different than change in **Net Position of \$(345,000)**, as that is **Government-Wide**, i.e., includes Capital Assets and Long-Term Liabilities). See **reconciliation between Operations and Government-Wide on Page 14**.

The increase in Governmental Fund Balance was due to **Operating Revenues exceeding expenditures by \$265,000**.

Assets increased by \$425,000 (+)

More Cash was retained, more taxes were received before year-end, and more subscriptions for the following year were prepaid.

Liabilities increased by \$160,000 (-)

Mainly due to the early receipt of a Fiscal Year 2026 Foundation Grant, so it's really only an internal Liability to the following year.

Statement of Revenues, Expenditures, Fund Balance (Operations) (Pages 9 and 15)

Again, **Fund Balance Increased by \$265,000**, due to an excess of Operating Revenues over Operating Expenses. This bottom line exceeds the prior year by \$2,535,000.

Total Revenues increased by \$44,000 (net +) over the prior year.

Tax Revenues increased by \$220,000 (+) over the prior year.

Other Revenues decreased by \$176,000 (-), mostly due to prior year (Expansion) Capital Grants of \$200,000.

Total Expenditures decreased by \$2,535,000 (net +)

Operating Expenditures increased by \$383,000 (-) over the prior year,

Capital Expenditures decreased by \$2,918,000 (+) due to the Line of Credit payoff in the prior year.

Review of FY 25 BTLA Audit Draft:

Notes for January 20, 2025 Finance Committee Meeting

Note 5 – Capital Assets (Government-Wide) (Page 24)

Note the large **Depreciation of \$912,000**, which contributes to decrease in Net Position. This is one of the most significant expenses on the Statement of Activities (**Pages 7 and 12**). Without depreciation, Overall activities (General Revenues less Cash Expenses) would have resulted in almost \$568,000 positive change in Net Position.

Assets of \$240,000 were purchased and \$63,000 of Books were retired.

Note 6 – Long-term Debt (Government-Wide) (Page 25)

Remaining CFD 1995-1 **Original Bond Obligation has a total balance of \$228,050**, including interest. The Bond Obligation will be fully paid as of September, 2026 (Fiscal Year 2027).

Notes 8 and 9 – Pension and OPEB Liabilities (Government-Wide) (Pages 26-35)

It is recommended that Trustees read this entire note to understand how the liability is calculated and paid. Special attention should be paid to the illustrations of how changes in the discount rate can affect these liabilities.

At discount rate of 6.9%, **Pension Liability is about \$1,843,000** (Page 32)

and at discount rate of 3.93%, **OPEB liability is about \$291,000** (Page 34).

Note 10 – Grants (Pages 35-36)

Note that **Belvedere Tiburon Library FOUNDATION Grants Inception-to-Date are \$20,527,191**. These contributions over the years allowed for careful budgeting and build-up of Operating reserves, most of which were used to pay off the Expansion Line of Credit.

Program Grants were \$83,500 in Fiscal 2025.

Capital Grants were \$20,000 in Fiscal 2025.

Note 11 – Risk Management (Pages 36-37)

The Agency's **Insurance coverage** is described here.

Note 12 – Commitments and Contingencies (Page 37)

Possible pending litigation is described here.

Review of FY 25 BTLA Audit Draft:**Notes for January 20, 2025 Finance Committee Meeting****Supplementary Information – Budgetary Comparison Schedule (Page 41)**

Fund Balances Increased by \$265,000, \$265,000 better than budget.

Operating results were \$453,000 (+) better than budget.

Operating Revenues exceeded Budget by \$182,000 (+)

Operating Expenditures were lower than budget by \$271,000 (+)

Net Capital Expenditures (not budgeted) were over budget by \$188,000 (-)

Gann Limit Compliance (following Page 45)

Required procedures were performed.

Internal Control and New GASB Pronouncements (following Gann Limit)

No deficiencies in Internal Control were identified.

GASB 103 applies to Fiscal 2025/26 and requires more clarity in audit financial reporting.

GASB 104 applies to Fiscal 2026/27 and requires more detailed presentation of Capital Assets, including Leases and SBITA's (Subscription-Based Technology Agreements).

Required Communications (Following Internal Control)

It is recommended that Trustees read the Required Communications.

BELVEDERE-TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency
of the Town of Tiburon and the City of Belvedere and
A California Community Facilities District)
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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**BELVEDERE-TIBURON LIBRARY AGENCY
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Belvedere-Tiburon Library Agency (Agency), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Agency as of June 30, 2025, and the changes in the respective financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pleasant Hill, California

DATE

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, 2025
OVERVIEW OF FINANCIAL STATEMENTS**

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

Government-wide financial statements are found on pages 6-7 and 11-12. The Government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business. There are two government-wide financial statements: The Statement of Net Position and the Statement of Activities and Changes in Net Position. These statements include Capital Asset and Long-Term Liability activities.

The Statement of Net Position presents information on all of the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. **(See pages 6 and 11).**

The Statement of Activities presents information showing how the Agency's net position changed during the fiscal year. Revenue and Expense are accrued in the period incurred, regardless of when cash is received or paid. As in a private-sector business, capital assets are depreciated, principal payments on debt are not an expense, and compensated absences and other post-employment benefits are expensed in the period earned. **(See pages 7 and 12).**

Governmental Funds (General Fund) Statements are found on pages 8-9 and 13 and 15. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The governmental funds statements do not include Capital Assets and Long-Term Liabilities and thus are designed to illustrate the Agency's basic Operating Activities and Position.

Reconciliations between the two types of financial statements are found on pages 14 and 16. The major differences between fund financial statements and government-wide financial statements are the inclusion (Government-Wide) or exclusion (General Fund) of Long-Term Assets and Liabilities, including Capital Outlay, Debt Service, Bond issuance Costs, Compensated Absences, Retirement Costs, and OPEB (Other Post-Employment Benefits).

Notes to the basic financial statements are found on pages 17-37. 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 41-45. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information: A Budget-to-Actual Results Comparison, CalPERS Pension Plan Information, and CalPERS Post-Employment Health Plan Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
FINANCIAL HIGHLIGHTS

Statement of Net Position on pages 6 and 11.

The Government-Wide Statement of Net Position shows the Agency's **Assets of \$21,783,183**; Deferred Outflows of \$734,567; **Liabilities of \$2,655,554**; Deferred Inflows of \$242,711; and a **Net Position of \$19,619,485** as of June 30, 2025.

Assets consist primarily of Net Capital Assets of \$18,386,524, which is 84% of Total Assets.

Cash, Cash Equivalents, and Investments of \$2,906,550 account for 13% of the Agency's Total Assets.

Liabilities consist primarily of Net Pension and OPEB Liabilities of \$2,133,467 which is 80% of Total Liabilities, along with CFD Bonds payable, copier capital lease obligations, compensated absences, and operating accounts payable.

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

Statement of Activities on pages 7 and 12.

Total Revenues were \$3,957,826 (General Revenues \$3,618,618, Program Revenues \$319,208, and Capital Revenues \$20,000). **Total Expenses were \$4,302,396**, including Operating Services of \$3,360,420, Depreciation on Capitalized Assets of \$912,071, and Debt Service Expense of \$29,905.

Operating Revenues totaled \$3,937,826 (General Revenues \$3,618,618, Charges for Services \$24,356, and Operating Designated Grants of \$294,852). Operating Expenses (before Depreciation on Capitalized assets of \$912,071) were \$3,390,325. **Net Operating Activity before Depreciation on Capitalized Assets was \$547,501. Net Operating Activity after Depreciation on Capitalized Assets was \$(364,570).**

Capital grant revenue and contributions totaled \$20,000. Combined with the Net Operating Activity after Depreciation of \$(364,570), this provided a Total change in Net Position of \$(344,570).

From the Governmental General Funds Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 13 and 15, the Required Supplementary Budget Analysis on page 41.

General fund balances increased by \$264,538, a variance of \$264,538 from budget, due to Operating Revenues over budget by \$181,583, Capital Grants over budget (not budgeted) by \$20,000, Operating Expenditures under budget by \$271,360, and combined Capital Expenditures over budget (not budgeted) by \$208,405.

Operations: Library Operating activity resulted in a Net Income of \$452,943, which was \$452,943 over budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
FINANCIAL HIGHLIGHTS (continued)

Capital Activity: Capital activity created a net outflow of \$188,405, which was \$188,405 more than budgeted (not budgeted).

Grants from the Belvedere Tiburon Library Foundation totaled \$231,400, \$211,400 for Operations, and \$20,000 (private donor pass-through) for Capital Projects. Operating Program Grants totaled \$75,865, mostly from the CA State Library for Sustainability Projects. Miscellaneous Donations of \$5,821 were also received, restricted for collection. Inception to date grant details are found in Note 10 to the financial statements on **Page 36**.

Personnel Costs include Staffing, Retirement and Health Benefits, Payroll Tax Expense, Insurance, and Professional Development Costs. The total Personnel costs were \$2,543,736 in 2025 and \$2,214,807 in 2024, a 15% increase from the prior year due to successful efforts in filling all budgeted Staff positions a 10% increase, to Health Premium increases of 9%, and to required CalPERS Pension UAL payment increase of 28%.

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

Total Circulation Materials and Data Expenditures before this capitalization of books were \$408,266 in 2025 and \$379,366 in 2024 an 8% increase. **Capitalized Resource Costs (Books)** totaled \$101,618 in 2025 and \$96,392 in 2024, a 5% increase. **Expensed Circulation Materials and Data Costs** including print subscriptions, digital content, and database costs were \$306,648 in 2025 and \$282,974 in 2024, an 8% increase. Expenditures on digital content alone increased by 20%.

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

Total Services and Supplies costs were \$1,140,171 in 2025 and \$1,005,920 in 2024, a 13% increase from the prior year due to increases in Digital Resources, Programs, Insurance, and Legal Costs.

Debt Service Cost

Bond Service Cost for the CFD1995-1 Limited Obligation Bonds was for \$100,000 for Principal, \$15,900 for Interest, and \$14,005 for Fiscal Agent Fees in accordance with the Bond Issue Agreement. Bond Service Cost is funded through the annual Parcel Tax Revenue, so is treated as part of operations rather than Capital Activities for Budgeting and Quarterly Review purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
GOVERNMENT-WIDE FINANCIAL ANALYSIS
Analysis of Net Position
From the Statement of Net Position on page 11

	Governmental			
	Governmental Funds Analysis		\$	%
	2025	2024	Change	Change
Cash, cash equivalents and investments	2,906,550	2,586,355	320,195	12%
Capital assets, net	18,386,524	18,997,166	(610,642)	-3%
Other assets	490,109	385,261	104,848	27%
Total assets	21,783,183	21,968,782	(185,599)	-1%
Deferred outflows (Pension & OPEB)	734,567	943,430	(208,863)	-22%
Total deferred outflows	734,567	943,430	(208,863)	-22%
Series 1996 bonds & capital lease	215,000	315,000	(100,000)	-32%
Unearned Grant Revenue	150,000	-	150,000	100%
Net Pension liability	1,842,695	1,832,458	10,237	1%
Net Postemployment benefit (OPEB)	290,772	279,281	11,491	4%
Other liabilities	157,087	176,557	(19,470)	-11%
Total liabilities	2,655,554	2,603,296	52,258	2%
Deferred inflows (Pension & OPEB)	242,711	344,861	(102,150)	-30%
Total deferred outflows	242,711	344,861	(102,150)	-30%
Net investment in capital assets	18,171,524	18,682,166	(510,642)	-3%
Restricted and Unrestricted	1,447,961	1,281,889	166,072	13%
Net position	19,619,485	19,964,055	(344,570)	-2%

Net Position serves over time as a useful indicator of the Agency's financial position: Assets exceeded Liabilities by \$19,619,485 as of June 30, 2025, a decrease of \$344,570 from the prior year. Net Investment in Capital Assets consists of Capital Assets Less and related outstanding Debt. Unrestricted Assets are those used to finance Operations and Debt Service.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE
FISCAL YEAR ENDED JUNE 30, 2025
GOVERNMENT-WIDE FINANCIAL ANALYSIS
Analysis of Changes in Net Position
From the Statement of Activities on page 12

	Governmental		\$	%
	Activities			
	2025	2024	Change	Change
PROGRAM EXPENSES:				
Library Services				
Personnel Cost	\$ 2,214,807	\$ 1,956,976	\$ 257,831	13%
Pension, OPEB, Comp Abs Adjust	98,466	196,107	(97,641)	-50%
Total Personnel Services	2,313,273	2,153,083	160,190	7%
Materials and Programs	1,047,147	909,528	137,619	15%
Depreciation and Amortization	912,071	918,497	(6,426)	-1%
Bond Interest & Fiscal Agent Fees	29,905	34,812	(4,907)	-14%
LOC Interest	-	70,213	(70,213)	-100%
Total Program Expenses	4,302,396	4,086,133	216,263	5%
PROGRAM REVENUES:				
Charges for Services	24,356	11,666	12,690	109%
Operating Grants and Contributions	294,852	279,609	15,243	5%
Capital Grants	20,000	207,428	(187,428)	-90%
Total Program Revenues	339,208	498,703	(159,495)	-32%
GENERAL REVENUES:				
Property Taxes	3,532,849	3,312,901	219,948	7%
Investment Earnings	85,769	101,845	(16,076)	-16%
Total General Revenues	3,618,618	3,414,746	203,872	6%
Increase (Decrease) in Net Position	(344,570)	(172,684)	(171,886)	100%
Net Position - Beginning of Year	19,964,055	20,136,739	(172,684)	-1%
Adjustment to Prior Year Net Position		-	-	
Restated Net Position - Beginning of Year	19,964,055	20,136,739	(172,684)	-1%
Net Position - End of Year	\$ 19,619,485	\$ 19,964,055	\$ (344,570)	-2%

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
GOVERNMENTAL FUND – GENERAL
FUND BALANCE SHEET ANALYSIS
From the Balance Sheet Governmental Fund –
General Fund on page 13

ASSETS	2025	2024	Change	Change
Cash, cash equivalents and investments	\$ 2,906,550	\$ 2,586,355	\$ 320,195	12%
Accounts and Interest receivable	231,054	371,407	(140,353)	-38%
Prepays	259,055	13,854	245,201	1770%
Deposits	-	-	-	0%
Total Assets	3,396,659	2,971,616	425,043	14%
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	77,468	66,963	10,505	16%
Deferred grant revenue	150,000	-	150,000	100%
Total Liabilities	227,468	66,963	160,505	240%
FUND BALANCES				
Nonspendable for prepaids and deposits	259,055	13,854	245,201	1770%
Restricted for:				
Debt Service	111,810	110,739	1,071	1%
Donor/designated funds	17,076	-	17,076	100%
Committed for:				
Operations	2,227,372	2,226,182	1,190	0%
Insurance	500,000	500,000	-	0%
Building Maintenance	53,878	53,878	-	0%
Total Fund Balances	3,169,191	2,904,653	264,538	9%
Total Liabilities and Fund Balances	\$ 3,396,659	\$ 2,971,616	\$ 425,043	14%

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
GOVERNMENTAL FUNDS CHANGES ANALYSIS
From the Statement of Revenues, Expenditures, and Changes
in Fund Balances on Page 15

The following schedule presents a comparison of general fund revenues and expenditures for the fiscal year ended June 30, 2025 to the prior fiscal year.

		Funds Analysis		\$	%
		2025	2024	Change	Change
Basic Library Tax		\$2,588,827	\$2,460,365	\$128,462	5%
Parcel Tax		278,344	275,877	2,467	1%
ERAF		665,678	576,659	89,019	15%
Total intergovernmental		3,532,849	3,312,901	219,948	7%
Private Grants & Contributions:					
Belvedere Tiburon Library Foundation					
Operations		211,400	255,500	(44,100)	-17%
Expansion		20,000	100,000	(80,000)	-80%
TOT & COB - Expansion		-	95,275	(95,275)	-100%
Marin Clean Energy - Expansion		-	12,153	(12,153)	-100%
Program Grants		75,865	17,977	57,888	322%
Miscellaneous Grants & Contributions		7,587	6,132	1,455	24%
Charges for Services		24,356	11,666	12,690	109%
Investment Earnings		85,769	101,845	(16,076)	-16%
Total Revenues		3,957,826	3,913,449	44,377	1%
Salaries and Benefits		2,214,807	1,965,976	248,831	13%
Services and Supplies		1,140,171	1,005,920	134,251	13%
Bond and LOC Principal		100,000	3,059,747	(2,959,747)	-97%
Bond and LOC Interest and Fiscal Agent Fees		29,905	105,025	(75,120)	-72%
Capital Outlay		208,405	91,075	117,330	129%
Total Expenditures		3,693,288	6,227,743	(2,534,455)	-41%
Excess (Deficit) of Revenues over Expenditures		264,538	(2,314,294)	2,578,832	-111%
Proceeds from Line of Credit		-	-	-	0%
Net Change in Fund Balance		264,538	(2,314,294)	2,578,832	-111%
Fund Balances, Beginning of Year		2,904,653	5,218,947	-2,314,294	-44%
Fund Balances, End of Year		\$3,169,191	\$2,904,653	\$264,538	9%

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
GOVERNMENTAL FUNDS SUMMARY
From the Balance Sheet on page 13

	<u>30-Jun-24</u>	<u>Increase/ (Decrease)</u>	<u>30-Jun-25</u>
Nonspendable Prepaids and Deposits	\$ 13,854	\$ 245,201	\$ 259,055
Restricted for Debt Service	110,739	1,071	111,810
Donor/Designated Funds	-	17,076	17,076
Committed for Operations	2,226,182	1,190	2,227,372
Committed for Insurance	500,000	-	500,000
Committed for Building Maintenance	53,878	-	53,878
	<u>\$ 2,904,653</u>	<u>\$ 264,538</u>	<u>\$ 3,169,191</u>

HISTORY AND ECONOMIC FACTORS

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

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

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

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

BELVEDERE-TIBURON LIBRARY AGENCY

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

**STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Current assets:	
Cash, cash equivalents and investments (Note 3)	\$2,906,550
Accounts and interest receivable (Note 4)	231,054
Prepays (Note 2F)	259,055
Total current assets	<u>3,396,659</u>
Noncurrent assets:	
Nondepreciable capital assets (Note 5)	1,684,773
Depreciable capital assets, net (Note 5)	<u>16,701,751</u>
Total capital assets, net of accumulated depreciation	<u>18,386,524</u>
Total Assets	<u>21,783,183</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Related to pension (Note 8)	659,992
Related to OPEB (Note 9)	<u>74,575</u>
Total Deferred Outflows of Resources	<u>734,567</u>
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	77,468
Unearned grant revenue	150,000
Long-term debt - due within one year (Note 6)	<u>105,000</u>
Total current liabilities	<u>332,468</u>
Non-current liabilities:	
Compensated absences - due in more than one year (Note 2G)	79,619
Long-term debt - due in more than one year (Note 6)	110,000
Collective net pension liability (Note 8)	1,842,695
Total OPEB liability (Note 9)	<u>290,772</u>
Total Liabilities	<u>2,655,554</u>
 DEFERRED INFLOWS OF RESOURCES	
Related to pension (Note 8)	67,998
Related to OPEB (Note 9)	<u>174,713</u>
Total Deferred Inflows of Resources	<u>242,711</u>
 NET POSITION (Note 7A)	
Net investments in capital assets	18,171,524
Restricted	128,886
Unrestricted	<u>1,319,075</u>
Total Net Position	<u>\$19,619,485</u>

See accompanying notes to financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY
(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere and
A California Community Facilities District)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities</u>
PROGRAM EXPENSES:	
Library services:	
Personnel services	\$2,313,273
Materials and services	1,047,147
Depreciation and amortization	912,071
Interest	29,905
Total Program Expenses	<u><u>4,302,396</u></u>
PROGRAM REVENUES:	
Charges for services	24,356
Operating grants and contributions	294,852
Capital grants and contributions	20,000
Total Program Revenues	<u><u>339,208</u></u>
Net Program Income (Loss)	<u><u>(3,963,188)</u></u>
GENERAL REVENUES:	
Property taxes	3,532,849
Investment earnings	85,769
Total General Revenues	<u><u>3,618,618</u></u>
Increase (Decrease) in Net Position	(344,570)
Net position - beginning of year	<u>19,964,055</u>
Net position - end of the year	<u><u>\$19,619,485</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

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

**BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
JUNE 30, 2025**

ASSETS

Cash, cash equivalents and investments (Note 3)	\$2,906,550
Accounts and interest receivable (Note 4)	231,054
Prepays (Note 2F)	<u>259,055</u>
Total Assets	<u><u>\$3,396,659</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable and accrued liabilities	\$77,468
Deferred grant revenue	<u>150,000</u>
Total Liabilities	<u>227,468</u>

Fund Balances (Note 7B):

Nonspendable for prepaids	259,055
Restricted for:	
Debt service	111,810
Donor/designated funds	17,076
Committed for:	
Operations	2,227,372
Insurance	500,000
Building maintenance	<u>53,878</u>
Total Fund Balances	<u>3,169,191</u>
Total Liabilities and Fund Balances	<u><u>\$3,396,659</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025**

Total Fund Balances - Governmental Funds		\$3,169,191
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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	\$26,145,001	
Less: Accumulated depreciation	<u>(7,758,477)</u>	18,386,524

Deferred outflows of resources related to pension		659,992
Deferred outflows of resources related to OPEB		<u>74,575</u>

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	(215,000)	
Compensated absences	(79,619)	
Net Pension Liability	(1,842,695)	
Net OPEB Liability	(290,772)	
Deferred inflows of resources related to pension	(67,998)	
Deferred inflows of resources related to OPEB	<u>(174,713)</u>	<u>(2,670,797)</u>

Net Position - Governmental Activities		<u><u>\$19,619,485</u></u>
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See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

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

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES

Intergovernmental:	
Basic library tax	\$2,588,827
Parcel tax	278,344
ERAF	665,678
Total Intergovernmental	<u>3,532,849</u>
Grants and contributions (Note 10):	
Belvedere-Tiburon Library Foundation	211,400
Private donor - memorial gardens	20,000
Various Local and State Library Grants for Library programs	75,865
Miscellaneous gifts and donations	7,587
Charges for services	24,356
Investment earnings	<u>85,769</u>
Total Revenues	<u>3,957,826</u>

EXPENDITURES

Current - Library Services:	
Personnel costs	2,214,807
Services and supplies	1,140,171
Capital outlay	208,405
Debt service:	
Principal	100,000
Interest	<u>29,905</u>
Total Expenditures	<u>3,693,288</u>
Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources (Uses)	<u>264,538</u>
Net Change in Fund Balance	<u>264,538</u>
Fund Balances, Beginning of Year	<u>2,904,653</u>
Fund Balances, End of Year	<u><u>\$3,169,191</u></u>

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY

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

**Reconciliation of the Governmental Funds – Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Government-Wide Statement of Activities and Changes in Net Position
For the Fiscal Year Ended June 30, 2025**

Net Changes in Fund Balances - Governmental Funds **\$264,538**

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	\$208,405	
Services and supplies (Books)	93,024	
Depreciation and amortization expense	<u>(912,071)</u>	(610,642)

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	29,975
Change in pension liabilities	(130,901)
Change in OPEB liabilities	2,460

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	<u>100,000</u>
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Changes in Net Position - Governmental Activities **(\$344,570)**

See accompanying notes to basic financial statements.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – ORGANIZATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Government-Wide Financial Statements

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

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

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

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

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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B. Fund Financial Statements

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

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

C. Basis of Accounting

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

Accrual

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

Modified accrual

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

D. Budget Process and Expenditures in Excess of Appropriations

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

E. Cash and Cash Equivalents

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

F. Prepaid Expenses

Certain payment to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wise and fund financial statements. The balance of prepaid expenses as of June 30, 2025 was \$259,055.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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G. Compensated Absences

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

At the close of each fiscal year, a liability is recorded based on the accumulated time for employees at their current salary. The balance of accrued compensated absences as of June 30, 2025 was \$79,619.

In order to minimize this liability, the Agency caps employee's balances at twice their annual accrual, encourages employees to use their available time off, and periodically offers a "Vacation Buyback" program, in which employees may request a payout of up to 75 hours of accrued compensated absence.

H. 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.

I. Leases

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

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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J. 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.

K. 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.

L. 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.

M. Subscription-Based Information Technology Arrangements

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

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. New Accounting Principles from the Governmental Standards Board (GASB)

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this statement did not have a material effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. The implementation of this statement did not have a material effect on the financial statements.

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, 2025:

Held by Agency:

Petty cash and change fund	\$204
Deposits with financial institutions	144,598
Money market mutual funds	2,132,335
Local Agency Investments Fund	517,603

Held by Fiscal Agent:

Money market mutual funds	111,810
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Total Cash, Cash Equivalents and Investments	<u><u>\$2,906,550</u></u>
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BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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	80%	FDIC Limit
State Local Agency Investment Fund	None	N/A	100%	None
Money Market Funds	None	N/A	80%	FDIC Limit
Joint Powers Authority	Pool	N/A	80%	Per Section 53601

C. Interest Rate Risk

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

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, 2025, these investments matured in an average of 248 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, 2025

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, 2025:

Parcel Tax	\$13,867
Basic Tax	133,775
ERAF	72,379
LAIF Interest	5,672
Other Receivables	5,361
	\$231,054

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.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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	7-10 years
Website	7 years

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Non-depreciable assets:				
Land	\$1,606,560			\$1,606,560
Land development	16,991	\$61,222		78,213
Total non-depreciable assets	1,623,551	61,222		1,684,773
Depreciable assets:				
Books	3,027,721	101,618	(\$62,459)	3,066,880
Buildings and improvements	19,885,140	19,794		19,904,934
Computers and equipment	279,432	15,024		294,456
Furniture and fixtures	934,079	103,771		1,037,850
Website	156,108			156,108
Sub-total	24,282,480	240,207	(62,459)	24,460,228
Accumulated depreciation:				
Books	(2,747,749)	(111,067)	62,459	(2,796,357)
Buildings and improvements	(3,283,484)	(665,666)		(3,949,150)
Computers and equipment	(244,188)	(32,882)		(277,070)
Furniture and fixtures	(479,578)	(100,214)		(579,792)
Website	(153,866)	(2,242)		(156,108)
Sub-total	(6,908,865)	(912,071)	62,459	(7,758,477)
Total depreciable assets, net	17,373,615	(671,864)		16,701,751
Capital assets, net	\$18,997,166	(\$610,642)		\$18,386,524

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025:

	<u>Balance June 30, 2024</u>	<u>Payments</u>	<u>Balance June 30, 2025</u>	<u>Due within one year</u>
<i>Governmental Activities:</i>				
Series 1996 Special Tax Bonds	\$315,000	\$100,000	\$215,000	\$105,000
	<u>\$315,000</u>	<u>\$100,000</u>	<u>\$215,000</u>	<u>\$105,000</u>

1996 Special Tax Bonds

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$105,000	\$9,750	\$114,750
2027	<u>110,000</u>	<u>3,300</u>	<u>113,300</u>
Total	<u>\$215,000</u>	<u>\$13,050</u>	<u>\$228,050</u>

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.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – NET POSITION AND FUND BALANCE (Continued)

B. Fund Balance

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

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

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

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

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

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

Fund balances classifications at June 30, 2025 are presented on the General Fund Balance Sheet.

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").

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

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 for classic and age 52 for PEPRA with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
	<u>Classic</u>	<u>PEPRA</u>
	Prior to	On or after
Hire date	January 1, 2013	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	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.75%
Required employer contribution rates	11.88%	7.87%
Required UAL contribution	\$137,349	\$1,631

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portions as noted in the rates above and as a dollar amount for contributions towards the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The Agency elected to make lump sum UAL payments and the actual contribution for the unfunded liability was \$132,905 for Classic and \$1,578 for PEPRA in 2025.

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Miscellaneous</u>
Contributions - employer	<u>\$267,887</u>

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2025, 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 & PEPR	\$1,842,695

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023 and 2024 was as follows:

	Miscellaneous
Proportion - June 30, 2023	0.03665%
Proportion - June 30, 2024	0.03810%
Change - Increase (Decrease)	0.00144%

For the year ended June 30, 2025, the Agency recognized pension expense of \$130,901. At June 30, 2025, 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	\$267,887	
Differences between actual and expected experience	159,318	(\$6,216)
Changes in assumptions	47,361	
Net differences between projected and actual earnings on plan investments	106,082	
Net difference in actual contribution and proportion		(61,782)
Adjustment due to differences in proportions contributions	79,344	
Total	\$659,992	(\$67,998)

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

\$267,887 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, 2026. 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
2026	\$112,554
2027	242,209
2028	5,698
2029	(36,354)
Total	<u>\$324,107</u>

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

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

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

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

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 for the Plan 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:

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – PENSION PLAN (Continued)

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$2,955,179
Current Discount Rate	6.90%
Net Pension Liability	\$1,842,695
1% Increase	7.90%
Net Pension Liability	\$926,956

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

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, 2025:

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: <table> <tr> <th style="text-align: center;"><u>Year</u></th><th style="text-align: center;"><u>PEMHCA Minimum</u></th></tr> <tr> <td style="text-align: center;">2023</td><td style="text-align: center;">151</td></tr> <tr> <td style="text-align: center;">2024</td><td style="text-align: center;">157</td></tr> <tr> <td style="text-align: center;">2025</td><td style="text-align: center;">158</td></tr> <tr> <td style="text-align: center;">2026+</td><td style="text-align: center;">Increase at CPI-U Medical</td></tr> </table>	<u>Year</u>	<u>PEMHCA Minimum</u>	2023	151	2024	157	2025	158	2026+	Increase at CPI-U Medical
<u>Year</u>	<u>PEMHCA Minimum</u>										
2023	151										
2024	157										
2025	158										
2026+	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, 2025, the Agency’s contributions to the Plan were \$10,078.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active employees	14
Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	4
Total	<u>23</u>

B. Total OPEB Liability

Actuarial Methods and Assumptions – The Agency’s total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation dated June 30, 2023 to determine the June 30, 2023 total OPEB liability as of June 30, 2025, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Assumptions:	
	- 3.93% at June 30, 2024 (Bond Buyer 20-bond Index)
Discount Rate	- 3.65% at June 30, 2023 (Bond Buyer 20-bond Index)
General Inflation	2.50% per annum
	- Aggregate - 2.75% annually
Salary Increases	- Merit - CalPERS 2000-2019 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
	- Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Medical Trend	- Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	- Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increase	3.50% per year
Medical Participation at Retirement	- Currently covered - 60%
	- Currently waived - 30%
Medical Plan at Retirement	- Currently covered - same as current election
	- Currently waived - Kaiser

Changes of Assumptions – The actuarial valuation dated June 30, 2023 included changes of assumptions for the discount rate to be updated to the municipal bond rate (from 3.65% to 3.93%) and updated medical trend rates including PEMHCA minimum increases.

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2024 Reporting Date	\$279,281
Changes Recognized for the Measurement Period:	
Service cost	19,869
Interest on the total OPEB liability	10,748
Changes of assumptions	(9,750)
Benefit payments	(9,376)
Net changes	11,491
Balance at June 30, 2025 Reporting Date	\$290,772

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

Total OPEB Liability		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(2.93%)	(3.93%)	(4.93%)
\$328,049	\$290,772	\$259,676

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

Total OPEB Liability		
	Current Healthcare Cost	
1% Decrease	Trend Rates	1% Increase
\$251,642	\$290,772	\$339,097

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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, 2025, the Agency recognized OPEB expense of (\$2,460). At June 30, 2025, 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	\$10,078	
Differences between actual and expected experience	34,122	(\$80,026)
Changes of assumptions	30,375	(94,687)
Total	<u>\$74,575</u>	<u>(\$174,713)</u>

\$10,078 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, 2026. 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
2026	(\$20,331)
2027	(18,918)
2028	(18,793)
2029	(15,800)
2030	(21,362)
Thereafter	(15,012)
Total	<u>(\$110,216)</u>

NOTE 10 – GRANTS AND CONTRIBUTIONS

Major funding for the building and for equipping the library facility is from the nonprofit Belvedere-Tiburon Library Foundation which has been formed through contributions and bequests from community members. Grants committed by the Foundation (from inception through June 30, 2025) consist of the following:

	Grant Revenue		
	Inception-to-Date June 30, 2024	Total Grants Fiscal Year 2025	Inception-to-Date June 30, 2025
Construction: Original Building 1997	\$1,959,581		\$1,959,581
Construction: Library Expansion 2019-2023	14,068,675		14,068,675
Collection - Original Book Collection 1997-2001	882,534		882,534
Collection - BTLF (Foundation) Annual Appeal	1,627,638	\$211,400	1,839,038
Collection - BTLF's Corner Books	224,000		224,000
Programs & Operations - BTLF Endowments	1,228,951		1,228,951
Programs - BTLF's Bookmarks	324,412		324,412
Total Belvedere Tiburon Library Foundation Grants	<u>\$20,315,791</u>	<u>\$211,400</u>	<u>\$20,527,191</u>

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – GRANTS AND CONTRIBUTIONS (Continued)

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

	Total Grants Fiscal Year 2025
Program - Various Local and State Library Grants	\$75,865
Miscellaneous Gifts and Contributions	7,587
 Total Program & Operational Grants from Other Sources	 \$83,452

Expansion grant revenues from other sources consist of the following:

	Inception-to-Date June 30, 2024	Total Grants Fiscal Year 2025	Inception-to-Date June 30, 2025
Town of Tiburon Expansion Contributions	\$545,275		\$545,275
City of Belvedere Expansion Contributions	150,000		150,000
Marin Clean Energy	21,153		21,153
Private Donor - Memorial Garden		\$20,000	20,000
	\$716,428	\$20,000	\$736,428

NOTE 11 – RISK MANAGEMENT

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

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

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

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

BELVEDERE-TIBURON LIBRARY AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 11 – RISK MANAGEMENT (Continued)

The Agency does not have any liability for uninsured claims, including estimated claims incurred but not reported for fiscal year ended June 30, 2025. Settlements have not exceeded insurance coverage in the past three years.

The Agency paid \$142,060 in premiums during fiscal year ended June 30, 2025. Audited financial statements may be obtained from SDRMA Services, 1112 I St #300, Sacramento, CA 95814.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Library Expansion Project

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

B. Contingencies

The Library Agency has received two internal complaints involving sexual harassment, hostile work environment, retaliation, and collegiality in the workplace from Library Agency employees. The Library Agency conducted an internal investigation of these two complaints. The investigation made factual findings and gave recommendations for corrective and remedial measures, trainings and schedule changes to address interactions between certain employees. One of the employees involved was terminated for unrelated performance issues and such employee has appealed the termination decision. The matter is pending an arbitration to be conducted in October 2025 and the arbitrator will make a recommendation to the Library Board. A lawsuit for damages against the Library Agency is possible, however, it is not possible at this time to determine the probability of such a lawsuit, the potential damages that might be alleged, or the potential response of the Library Agency until such time as the appeal is complete.

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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, 2025**

	Original and Final Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
Operating Revenues:			
Intergovernmental:			
Basic library tax	\$2,662,684	\$2,588,827	(\$73,857)
Parcel tax	277,000	278,344	1,344
ERAF	575,000	665,678	90,678
Total intergovernmental	3,514,684	3,532,849	18,165
Operating grants & contributions:			
Belvedere-Tiburon Library Foundation	150,000	211,400	61,400
Program grants	11,000	75,865	64,865
Miscellaneous gifts & donations	5,821	7,587	1,766
Charges for services	16,738	24,356	7,618
Investment earnings	58,000	85,769	27,769
Total Operating Revenues	3,756,243	3,937,826	181,583
Operating Expenditures:			
Current - Library Services:			
Personnel costs	2,543,736	2,214,807	328,929
Services and supplies	1,083,333	1,140,171	(56,838)
Debt service - 1996 Special Tax Bonds:			
Principal	105,000	100,000	5,000
Interest and fiscal charges	24,174	29,905	(5,731)
Total Operating Expenditures	3,756,243	3,484,883	271,360
Excess of revenues over expenditures, before capital activities	-	452,943	452,943
Capital Activities:			
Expansion grants & contributions:			
Private donor - memorial gardens	-	20,000	20,000
Capital outlay:			
Expansion	-	(208,236)	(208,236)
Other	-	(169)	(169)
Total Capital Activities, Net	-	(188,405)	(188,405)
Change in fund balance	-	264,538	\$264,538
Fund balances, beginning of year		2,904,653	
Fund balances, end of year		\$3,169,191	

BELVEDERE-TIBURON LIBRARY AGENCY

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

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

Measurement Date	Miscellaneous Plan				
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's proportion of the Net Pension Liability (Asset)	0.02324%	0.02544%	0.02698%	0.02752%	0.02928%
Plan's proportion share of the Net Pension Liability (Asset)	\$637,654	\$883,572	\$1,063,688	\$1,037,322	\$1,172,442
Plan's Covered Payroll	\$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	58.95%	78.24%	93.32%	87.41%	95.80%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	74.06%	73.31%	75.26%	77.73%

Measurement Date	Miscellaneous Plan				
	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan's proportion of the Net Pension Liability (Asset)	0.03111%	0.01372%	0.03498%	0.03665%	0.03810%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,312,187	\$578,652	\$1,636,951	\$1,832,458	\$1,842,695
Plan's Covered Payroll	\$1,297,054	\$1,325,201	\$1,363,641	\$1,235,912	\$1,258,992
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	101.17%	43.67%	120.04%	148.27%	146.36%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.71%	90.49%	78.19%	77.97%	79.91%

BELVEDERE-TIBURON LIBRARY AGENCY

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

SCHEDULE OF CONTRIBUTIONS

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

Fiscal Year Ended June 30	Miscellaneous Plan				
	2021	2022	2023	2024	2025
Contractually required contribution (actuarially determined)	\$130,093	\$129,489	\$223,920	\$228,087	\$267,887
Contributions in relation to the actuarially determined contributions	(130,093)	(129,489)	(223,920)	(228,087)	(267,887)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,325,201	\$1,363,641	\$1,235,912	\$1,258,992	\$1,373,599
Contributions as a percentage of covered payroll	9.82%	9.50%	18.12%	18.12%	19.50%

Notes to Schedule Contributions

Methods and assumptions used to determine contribution rates:

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

Actual Assumptions:

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

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

BELVEDERE-TIBURON LIBRARY AGENCY

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

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement period	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Total OPEB Liability				
Service Cost	\$29,649	\$26,163	\$25,387	\$30,084
Interest	6,625	8,510	9,968	9,189
Benefit changes				
Differences between expected and actual experience			(40,637)	
Assumption changes	(24,569)	(9,989)	10,440	59,522
Benefit payments	<u>(2,286)</u>	<u>(3,734)</u>	<u>(4,286)</u>	<u>(5,532)</u>
Net change in total OPEB liability	9,419	20,950	872	93,263
Total OPEB liability - beginning	<u>203,976</u>	<u>213,395</u>	<u>234,345</u>	<u>235,217</u>
Total OPEB liability - ending	<u><u>\$213,395</u></u>	<u><u>\$234,345</u></u>	<u><u>\$235,217</u></u>	<u><u>\$328,480</u></u>
Covered payroll	<u>\$1,129,395</u>	<u>\$1,192,875</u>	<u>\$1,375,610</u>	<u>\$1,292,785</u>
Total OPEB liability as a percentage of covered payroll	<u>18.9%</u>	<u>19.6%</u>	<u>17.1%</u>	<u>25.4%</u>

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

<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$40,773	\$37,065	\$28,085	\$19,869
8,073	9,358	13,466	10,748
61,418		(90,251)	
(30,782)	(81,270)	(19,336)	(9,750)
<u>(7,884)</u>	<u>(7,876)</u>	<u>(10,038)</u>	<u>(9,376)</u>
71,598	(42,723)	(78,074)	11,491
<u>328,480</u>	<u>400,078</u>	<u>357,355</u>	<u>279,281</u>
<u>\$400,078</u>	<u>\$357,355</u>	<u>\$279,281</u>	<u>\$290,772</u>
<u>\$1,366,168</u>	<u>\$1,302,706</u>	<u>\$1,253,644</u>	<u>\$1,373,598</u>
<u>29.3%</u>	<u>27.4%</u>	<u>22.3%</u>	<u>21.2%</u>

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DATE: February 3, 2026

TO: Finance Committee

FROM: Crystal Duran, Library Director

SUBJECT: Draft Purchase and Procurement Policy

The attached draft Purchase and Procurement Policy establishes a formal framework for how the Library conducts purchasing and contracting activities, including approval thresholds, roles and responsibilities, and oversight mechanisms. The policy reflects the Library's commitment to long-term financial sustainability, strategic investment, and responsible stewardship of both public and private funds.

The proposed policy aligns with the procurement practices and regulatory frameworks of the Town of Tiburon and the City of Belvedere and builds on the Library's existing accounting procedures and operational practices. It formalizes current practices while strengthening internal controls, transparency, and consistency across departments. Adoption of a Purchase and Procurement Policy is also an essential component of the Library's participation in the Sustainable Library Certification program and supports the Library's broader sustainability and resilience goals.

The following are key considerations for the Finance Committee's review and guidance:

- Are the proposed procurement and approval thresholds appropriate, given the Library's size, budget, and risk profile?
- Do the thresholds strike the right balance between operational efficiency and Board oversight?
- Does the Emergency Procurement section provide appropriate flexibility while maintaining adequate accountability? Should additional limits, reporting requirements, or timeframes be established for emergency actions?
- Should any categories of contracts require Board review regardless of dollar amount?
- Does the policy appropriately distinguish between Board governance responsibilities and day-to-day administrative authority? Are there areas where roles and expectations should be further clarified?

Establishing this policy represents a proactive step toward strengthening the Library's financial infrastructure, reinforcing sound governance practices, and positioning the organization to respond effectively to future challenges and opportunities.



PURCHASE AND PROCUREMENT POLICY

February 2026

Purpose

The Library seeks to conduct all purchasing and procurement activities in a manner that reflects responsible stewardship of public resources and its commitment to environmental responsibility, social equity, and fiscal resilience. All purchasing and contracting activities shall be conducted in accordance with applicable laws, Joint Powers Authority agreements, and Library governance policies. No contract shall be valid unless executed in accordance with this policy and approved within authorized limits.

Guiding Principles

The Library incorporates sustainability and Zero Waste principles where feasible, practical, and aligned with fiscal, operational, and program requirements. These principles guide decision-making but do not restrict essential purchases or override procurement laws. Guiding principles include:

- Stewardship of public funds
- Transparency and fairness
- Lifecycle value, durability, and efficiency
- Minimizing waste and environmental impact where reasonable
- Supporting local economies when practicable
- Maintaining consistency with JPA partner procurement practices

Roles and Responsibilities

Clear assignment of procurement responsibilities promotes consistency, accountability, and effective internal controls. This section defines primary oversight and approval roles.

Purchasing Officer. The Library Director serves as the Purchasing Officer and is responsible for:

- Approving all purchases or delegating approval authority for routine purchases,
- Ensuring compliance with this policy,
- Applying sustainability considerations where feasible, practical, and aligned with fiscal, operational, and program requirements,
- Overseeing competitive solicitation and vendor selection.
- Maintaining oversight of contract amendments and cumulative contract values.

Department Leads. Department leads may approve purchases within department budgets when delegated, and must:

- Seek competitive pricing in accordance with thresholds,
- Consider reusable, durable, or efficient alternatives when practical,
- Submit complete documentation to Finance for processing.

Finance Staff. Finance staff handle Accounts Payable, MIP entry, records retention, and check issuance as described in the Library's Accounting Policies and are responsible for maintaining complete, accessible procurement records sufficient to support audit and compliance requirements.

Ethics and Conflict of Interest

All employees and officials involved in procurement shall comply with applicable conflict-of-interest and ethics laws and shall avoid personal, financial, or organizational interests that could compromise impartial decision-making. No employee shall participate in procurement decisions involving vendors with whom they have a personal or financial relationship.

Contract Authority and Approval Limits

To promote accountability, fiscal stewardship, and appropriate oversight, the Library establishes clear limits on contracting authority. These limits ensure that purchasing decisions are made at the appropriate organizational level, supported by available funding, and consistent with the Library's governance structure. The following limits apply:

- Library Director: Authorized up to \$30,000 for standard procurements and up to \$60,000 for time-sensitive operational needs, subject to post-action reporting.
- Department Leads: Authorized up to \$1,000 as delegated by the Library Director
- Board Approval: Required when limits are exceeded.

The Board retains the authority to adjust limits as needed.

Procurement Thresholds and Competitive Practices

The Library utilizes graduated procurement thresholds to balance operational efficiency with transparency, competition, and responsible use of public funds. As purchase value increases, additional competitive and approval requirements apply to ensure best value and public accountability. Purchases shall not be artificially divided to circumvent approval or competitive requirements. Related purchases shall be aggregated for threshold determination.

- Up to \$10,000: Single quote acceptable; sustainability considered where feasible. Director or delegated manager approval required.
- \$10,000–\$30,000: At least two price quotes when practicable; Director approval.
- Above \$30,000: At least three price quotes when practicable; Agency Board approval required per Accounting Policy.

Gratuities and Service Charges

The Library recognizes that limited gratuities or service charges may occasionally be customary in connection with business-related services, such as catering, event support, or transportation. Any gratuities paid with Library funds shall:

- Be reasonable in amount, typically 10-20% of service cost
- Be directly related to legitimate Library business,
- Be included on vendor invoices whenever practicable,
- Be pre-approved by the Purchasing Officer or designee.

Discretionary tipping outside of invoiced charges is discouraged and shall not be reimbursed unless specifically authorized. Gratuities shall be documented and subject to audit review.

Rejection of Quotes and Proposals

To protect the Library's financial and operational interests, procurement processes must allow for flexibility when bids or proposals do not meet expectations. The Purchasing Officer may reject any or all bids and pursue alternate methods.

Service Contracts

Because service agreements often involve specialized expertise and long-term relationships, their selection requires careful evaluation beyond price alone. Service contracts over \$30,000 shall use competitive quotations. Sole source may be authorized with justification. Vendors may

be required to demonstrate appropriate licensing, insurance, financial stability, and performance history prior to contract award. Amendments and change orders that increase contract value or scope shall require the same level of approval as the original agreement. Cumulative amendments shall be tracked for threshold compliance.

Public Works and Facility Projects

Construction, maintenance, and facility improvement projects carry heightened fiscal, legal, and safety considerations. All public works projects shall be conducted in compliance with applicable provisions of the California Public Contract Code and related regulations. This section establishes tiered procedures to ensure appropriate oversight based on project size and complexity.

- Small Projects (Up to \$60,000). May be completed through in-house labor, negotiated contracts, or purchase orders. Competitive quotations are encouraged when practicable.
- Intermediate Projects (\$60,001 - \$220,000). Shall utilize informal competitive bidding among qualified contractors.
- Major Projects (Over \$220,000). Shall utilize formal competitive bidding procedures with public notice and sealed bids. Contracts shall be awarded by the Board.

Dollar thresholds shall automatically adjust to remain consistent with applicable legal requirements, subject to Board notification. The Purchasing Officers may utilize more formal procurement procedures when doing so is in the Library's best interest.

Emergency Procurement

Extraordinary circumstances may require immediate action to protect public safety, property, or continuity of operations. Emergency purchases may be authorized without standard procedures. Emergency actions shall be documented in writing and reported to the Board within 30 days.

Contract Execution and Legal Review

Proper contract documentation and execution are essential to ensuring enforceability, fiscal control, and risk management. All contracts shall be in writing when appropriate and supported by verified funding. Contracts shall be reviewed by the Library's legal counsel when warranted by risk, complexity, or dollar value.

Sustainability and Zero Waste Considerations

Consistent with the Library's commitment to environmental stewardship, procurement decisions should consider lifecycle impacts and resource efficiency when feasible. The Library supports the Zero Waste Hierarchy of Highest and Best Use as a guiding framework, applied where feasible, practical, and aligned with fiscal, operational, and program requirements. Preferred practices include:

- Rethink/Reduce unnecessary purchases and wasteful consumption.
- Reuse existing materials when practical.
- Recycle/Compost products with viable end-of-life pathways.
- Avoid products linked to destructive disposal methods when reasonable alternatives exist.
- Library Fleet: Future vehicles should prioritize electric or hybrid models.
- Energy-Efficient Equipment: ENERGY STAR-rated products preferred.
- Water Efficiency: WaterSense-certified fixtures preferred.
- Office Supplies: FSC-certified and recycled-content materials preferred.
- Renewable Energy: Participation in Green Power programs when viable.
- Program Incentives: Durable or experience-based items preferred.

These are guiding preferences, not mandatory requirements.

Centralized Purchasing

Centralized purchasing supports consistency, cost efficiency, internal controls, and compliance with this policy. All significant purchases and contractual commitments shall be coordinated through the Purchasing Officer or designee. Departments shall submit purchase requests in accordance with established procedures and shall not independently obligate the Library without proper authorization. Where feasible, purchasing activities shall be consolidated to leverage volume pricing, reduce administrative costs, and minimize duplicative procurement.

The Purchasing Officer shall maintain oversight of vendor relationships, master agreements, and recurring service contracts to ensure continuity, performance, and value. The Purchasing Officer may conduct periodic performance reviews of major vendors and contractors.

Unauthorized purchases or commitments made outside of approved procedures may be deemed invalid and may not be reimbursed. Repeated noncompliance with centralized purchasing procedures may result in the revocation of delegated purchasing authority.

Records and Compliance

Comprehensive recordkeeping is essential for financial transparency, audit readiness, and public accountability. Finance staff are responsible for maintaining complete, accessible procurement records sufficient for audit and compliance purposes. Purchasing documentation will follow the Accounting Policies, including:

- Invoice review and coding,
- MIP entry and approvals,
- Dual signatures for checks $\geq$ \$10,000,
- Annual auditing and record retention.

Disposition of Surplus Supplies, Materials, and Equipment

Responsible disposition of surplus assets supports fiscal recovery, community benefit, and environmental sustainability. Surplus property includes items no longer required for operations, obsolete, damaged, unused, or no longer suitable for Library needs.

Preferred disposition sequence, where feasible, practical, and aligned with fiscal, operational, and program requirements:

1. Internal Reuse
2. Transfer to Local Government or Quasi-Government Agencies
3. Donation to Community Nonprofits
4. Public Sale
5. Recycling or Material Recovery
6. Landfill Disposal (Last Resort)

Data-bearing equipment must be securely wiped prior to disposition. The Library Director has the authority to approve surplus disposition. Documentation shall follow Accounting Policies.

Policy Review and Updates

This policy will be reviewed periodically by the Library Director and Finance Committee and updated as needed. Staff with delegated procurement authority shall receive periodic training on procurement compliance and ethics.



DATE: February 3, 2026

TO: Finance Committee

FROM: Kristin Johnson, Finance, HR, Admin Manger

SUBJECT: Agency Mechanics Checking Account

The Library Agency holds its only operating checking account with Mechanics Bank. All other Mechanics Bank accounts were closed in Fall, 2025.

The Library maintains current accounts as follows:

- Operating Checking – Wells Fargo Bank
- Secure Investment/Savings – LAIF
- CFD Bonds Fiscal Agent – US Bank

The Belvedere Tiburon Library Foundation is considering moving all of its accounts to Wells Fargo Bank.

The Library had previously banked with Wells Fargo since 1995, and moved to Mechanics in 2016 compliance with the Expansion Line of Credit agreement.

Wells Fargo provides a convenient location to the Library for depositing receipts and changing signatories.

Wells Fargo Library checking would provide convenience for transfers of grants from the Foundation.