

**BELVEDERE-TIBURON
JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the
Town of Tiburon and the City of Belvedere)**

**BASIC
FINANCIAL STATEMENTS**

**For the Years Ended
February 29, 2020 and February 28, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Belvedere-Tiburon Joint Recreation Committee
Tiburon, California

We have audited the accompanying financial statements of the Belvedere-Tiburon Joint Recreation Committee (a California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere) ("THE COMMITTEE") which comprise the balance sheets as of February 29, 2020 and February 28, 2019, and the related statements of revenues, expenses and fund equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Belvedere-Tiburon Joint Recreation Committee as of February 29, 2020 and February 28, 2019, and the changes in its fund equity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The Management's Discussion and Analysis on pages 1 and 2 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

December 3, 2020

Bunker & Company LLP

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended February 29, 2020

GENERAL OVERVIEW

The purpose of the Belvedere-Tiburon Joint Recreation Committee (“the Committee”) is to enhance the way of life for our community, and to play an active role in making it be a happier, healthier and more filling place to live.

Our discussion and analysis of the Committee’s financial activities and performance provides an overview for the fiscal year ended February 29, 2020. Please read in conjunction with the Committee’s financial statements, which follow this discussion and analysis.

USING THIS ANNUAL REPORT

The first statement in the audit report, on page 3, is the Balance Sheet – Proprietary Enterprise Fund (“Balance Sheet”). The second statement, on page 4, is the Statement of Revenues, Expenses and Fund Equity – Proprietary Enterprise Fund (“Revenues and Expenses”). The third statement on page 5, is the statement of Cash Flows – Proprietary Enterprise Fund (“Cash Flow Statement”). Following these statements are the Notes to Financial Statements (“Notes”), which provide explanations of specific items and sections of the report. The notes are integral to the financial statements.

The Balance Sheet can be seen as a snapshot of the Committee’s financial status effective February 29, 2020. It indicates the amount of cash and cash equivalents the Committee had on hand at the end of the fiscal period, as well as the book value of the capital assets with accumulated depreciation and the deferred compensation. It also shows total liabilities, including current liabilities of accounts payable and accrued expenses, accrued vacation and deferred program fees. Again, liabilities include deferred compensation and finally, it shows fund equity, or the net worth of the Committee. Assets less liabilities equals fund equity.

The Balance Sheet contains references to the notes. The notes provide additional detail and / or explanations for line items in the Balance Sheet. For example, under both Assets and Liabilities on page 3, there is a line item: Deferred Compensation (Note 5). On pages 11 and 12, Note 5 explains the specifics regarding the Deferred Compensation figure, which is listed as both an Asset and a Liability.

The Statement of Revenues and Expenses outlines sources of income for the fiscal year, and the operational targets of expenditures. It also shows the non-operating revenue for the fiscal year. It indicates that JR had a change in fund equity of \$61,746 for the period ended February 29, 2020.

The Cash Flow Statement shows the Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities, this is a detailed picture of adjustments to and changes in the assets and liabilities, with net cash provided by operating activities of \$30,910.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended February 29, 2020

The Cash Flow Statement also shows changes in the Committee's cash position for the fiscal period. The line items, Cash Flows From Operating Activities, Cash Flows From Investing Activities and Cash Flows From Other Non-Operating Activities show an increase in cash and cash equivalents of \$39,356 for a cash and cash equivalents balance of \$891,881 for the period ended February 29, 2020.

FINANCIAL HIGHLIGHTS

The Fiscal Year ending February 29, 2020 shows total fund equity of \$249,524. This is a decrease from the Fiscal Year ending February 28, 2019 of \$61,746. Total cash and cash equivalents increased for the period ending February 29, 2020 by \$30,910.

The Committee ended the fiscal year in the net positive, due to steady program enrollment across youth and adult programming, and largely due to changes in staff structure that led to a decrease in payroll and all employee benefit or insurance related expenses. The Ranch experienced its most profitable summer camp to date and exceed budget goals by \$46,806.

As the Committee neared the end of the fiscal year in February 2020, the Novel Corona Virus, COVID 19, had reached the United States and was starting to affect enrollment to our drop-in programs and programs offered to our senior community as many became more cautious of their daily routines and activities.

This financial report is designed to provide a general overview of the agencies fiscal situation for all those with an interest in the Committee's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to: Belvedere-Tiburon Recreation, Director, 600 Neds Way, Tiburon, CA 94920.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

BALANCE SHEETS - PROPRIETARY ENTERPRISE FUND
February 29, 2020 and February 28, 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 2 and 3)	\$ 891,881	\$ 852,525
Accounts receivable	15,819	3,579
Prepaid expenses	11,606	56,370
Total current assets	919,306	912,474
Capital assets, net of accumulated depreciation of \$155,418 in 2020 and \$128,238 in 2019 (Notes 2 and 4)	35,239	62,419
Deferred compensation (Note 5)	519,500	633,972
Total assets	\$ 1,474,045	\$ 1,608,865
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 102,362	\$ 122,342
Accrued payroll related expenses	69,053	28,359
Deferred program fees	533,606	636,414
Total current liabilities	705,021	787,115
Deferred compensation liability (Note 5)	519,500	633,972
Total liabilities	1,224,521	1,421,087
Fund equity		
Invested in capital assets	35,239	62,419
Fund equity without donor restrictions	214,285	125,359
Total fund equity	249,524	187,778
Total liabilities and fund equity	\$ 1,474,045	\$ 1,608,865

The accompanying notes are an integral part of these financial statements.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**STATEMENTS OF REVENUES, EXPENSES AND FUND EQUITY-
PROPRIETARY ENTERPRISE FUND**

For the years ended February 29, 2020 and February 28, 2019

	2020	2019
OPERATING REVENUE		
Program service fees	\$ 1,898,344	\$ 1,790,713
Community center rental	13,401	9,142
Brochure advertising	3,700	5,600
Total operating revenue	<u>1,915,445</u>	<u>1,805,455</u>
OPERATING EXPENSES		
Program service expenses	1,083,777	1,106,026
Brochure expense	16,480	18,401
Management and general	734,438	743,075
Depreciation (Note 4)	27,180	26,936
Other expenses	270	981
Total operating expenses	<u>1,862,145</u>	<u>1,895,419</u>
Net operating income	53,300	(89,964)
NON-OPERATING REVENUE		
Contributions - new facility	-	500
Interest income	8,446	5,895
Change in fund equity	61,746	(83,569)
Total fund equity, beginning of year	<u>187,778</u>	<u>271,347</u>
Total fund equity, end of year	<u>\$ 249,524</u>	<u>\$ 187,778</u>

The accompanying notes are an integral part of these financial statements.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

**STATEMENTS OF CASH FLOWS-
PROPRIETARY ENTERPRISE FUND**
For the years ended February 29, 2020 and February 28, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,783,296	\$ 1,876,326
Cash paid to employees	(788,095)	(808,704)
Cash paid to suppliers	(964,291)	(1,054,982)
Net cash provided by operating activities	<u>30,910</u>	<u>12,640</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>8,446</u>	<u>5,895</u>
Net cash provided by investing activities	<u>8,446</u>	<u>5,895</u>
CASH FLOWS OTHER NON-OPERATING ACTIVITIES		
Contribution - new facility	<u>-</u>	<u>500</u>
Net cash provided by non-operating activities	<u>-</u>	<u>500</u>
Change in cash and cash equivalents	39,356	19,035
Cash and cash equivalents, beginning of year	<u>852,525</u>	<u>833,490</u>
Cash and cash equivalents, end of year	<u>\$ 891,881</u>	<u>\$ 852,525</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating income (loss) gain	\$ 61,746	\$ (89,964)
Changes in assets and liabilities		
Depreciation	27,180	26,936
Accounts receivable	(12,240)	(2,061)
Prepaid expenses	44,764	(17,516)
Accounts payable and accrued expenses	(19,980)	14,706
Accrued payroll and related expenses	40,694	7,607
Deferred program fees	(102,808)	72,932
Total adjustments	<u>(22,390)</u>	<u>102,604</u>
Net cash provided by operating activities	<u>\$ 39,356</u>	<u>\$ 12,640</u>

The accompanying notes are an integral part of these financial statements.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 1 DESCRIPTION OF ORGANIZATION

Organization and Description of Committee - The Belvedere-Tiburon Joint Recreation Committee (the Committee) was formed under a joint powers agreement between the City of Belvedere and the Town of Tiburon in accordance with Government Code Section 6500 relating to joint exercise of powers. The Board of Directors of the Committee is composed of seven members: three from Belvedere, three from Tiburon and one from the Reed Unified School District. The purpose of the Committee is to formulate, administer and operate recreation and education programs and facilities for the residents of the Tiburon Peninsula. These programs are administered by the Recreation Department, which maintains separate funds and account groups. The Committee is subject to the laws, regulations and guidelines as set forth by the State Controller's Office.

The Reporting Entity - The financial statements consist of the Committee's proprietary enterprise fund. The operation of recreation and education programs and facilities are proprietary in nature and are maintained as an enterprise fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The proprietary enterprise fund financial statements required by Governmental Accounting Standards are reported using the "flow of economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Committee's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Balance Sheet. The Statement of Revenue, Expenses, and Fund Equity presents changes in fund equity. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

The Committee follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

Budgets and Budgetary Accounting - The Committee adopts an annual budget for the Enterprise Fund. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, and non-operating income and expense items are not considered.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Basis of Presentation - The Committee is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with temporary donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the Committee is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Committee pursuant to those stipulations, (b) from other asset enhancements and diminishment that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets.

Net assets with permanent donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the Committee is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Committee, (b) from other asset enhancements and diminishment that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

Fair Value Measurements - The Committee carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Committee to classify these financial instruments into a three-level hierarchy. The Committee classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

- Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.
- Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.
- Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The Committee's carrying amounts of its assets and liabilities, including its investments, approximate fair value under Level 1 for the years ended February 29, 2020 and February 28, 2019.

Contributions and Revenue Recognition – Contributions consist of cash contributions as well as in-kind goods and services provided to the Committee. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated securities are recorded at their fair value at the date of donation.

Contributions are recognized when the donor makes a promise to give to the Committee that is, in substance, unconditional. Multi-year pledges are recorded at present value.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Accounts Receivable - It is the practice of the Committee to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

Capital Assets - Property and equipment are stated at cost of acquisition. Significant improvements or betterments to existing assets of \$1,000 or more are capitalized; maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Depreciation is determined on the straight-line method over the estimated useful lives of the assets.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Advertising Costs – It is the policy of the Committee to expense advertising costs as incurred.

Recent Accounting Pronouncements –

In August 2016, the Financial Accounting Standards Board issued ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*, amending the ASC 958. This update changes the presentation of certain information in the financial statements and footnote disclosures of not-for-profit entities. The update also changes the way that not-for-profit entities classify net assets. The new guidance is effective for the Committee for the year beginning March 1, 2019.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). These amendments clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. ASU 2018-08 is effective for the Committee’s year beginning March 1, 2019.

The Committee is in full compliance with both of the above pronouncements.

NOTE 3 CASH AND CASH EQUIVALENTS AND LOCAL AGENCY INVESTMENT FUND

Cash and cash equivalents at February 29, 2020 and February 28, 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Petty cash	\$ 157	\$ 157
Bank of Marin	542,635	511,725
Local Agency Investment Fund	<u>349,089</u>	<u>340,643</u>
	<u>\$ 891,881</u>	<u>\$ 852,525</u>

The Local Agency Investment Fund was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the California State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with other State monies as a part of the Pooled Money Investment Account.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
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NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

**NOTE 3 CASH AND CASH EQUIVALENTS AND LOCAL AGENCY INVESTMENT FUND
(CONTINUED)**

The law restricts the Treasurer to invest in the following categories: U.S. government securities; securities of federally-sponsored agencies; domestic corporate bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; bankers acceptances; negotiable certificates of deposit and loans to various bond funds.

Local Agency Investment Fund monies were invested in the following concentrations of securities:

<u>Type of Security</u>	<u>Percent of Portfolio Fiscal Year 2019-2020</u>	<u>Percent of Portfolio Fiscal Year 2018-2019</u>
U.S. Treasuries	52.39%	50.56%
Agencies	20.79	20.62
Loans	0.57	0.95
CDs/Bank Notes	13.17	16.20
Time Deposits	5.44	5.45
Commercial Paper	7.64	6.22
Total Portfolio	<u>100.00%</u>	<u>100.00%</u>

Although the Board responsible for administering the Local Agency Investment Fund designates how much shall be invested in interest-bearing time accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall Board policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current available information.

California commercial banks, savings banks, and credit unions receiving these State deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts.

Amounts invested with the Local Agency Investment Fund are invested in accordance with Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. These pooled investments are carried at fair value.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
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NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

**NOTE 3 CASH AND CASH EQUIVALENTS AND LOCAL AGENCY INVESTMENT FUND
(CONTINUED)**

Cash deposits held at financial institutions can be categorized according to three levels of risk:

- 1) Deposits which are insured or collateralized with securities held by the Investment Pool or by its agent in the Committee's name.
- 2) Deposits which are collateralized with securities held by the pledging financial institution's trust department or agency in the Committee's name.
- 3) Deposits which are not collateralized or insured.

Based on these levels of risk, all of the Committee's cash deposits are classified as Category 1.

NOTE 4 CAPITAL ASSETS

Capital assets consist of the following:

<u>Capital Assets, at Cost</u>	
Balance, February 28, 2018	\$ 190,657
Additions	-
Balance, February 28, 2019	<u>190,657</u>
Additions	-
Balance, February 29, 2020	<u>190,657</u>
 <u>Accumulated Depreciation</u>	
Balance, February 28, 2018	101,302
Depreciation expense	<u>26,936</u>
Balance, February 28, 2019	128,238
Depreciation expense	<u>27,180</u>
Balance, February 29, 2020	<u>155,418</u>
 Capital assets, net	 <u>\$ 35,239</u>

NOTE 5 DEFERRED COMPENSATION PLAN

The Committee has established a deferred compensation plan for employees under Section 457 of the Internal Revenue Code. Hartford Life Insurance is the administrator of the deferred compensation plan.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
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NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 5 DEFERRED COMPENSATION PLAN (CONTINUED)

The assets for the employee deferred compensation plan totaled \$519,500 and \$633,972 at February 29, 2020 and February 28, 2019, respectively. The assets of the deferred compensation plan remain the property of the Committee until made available to participants and all deferred amounts are withheld from employee payrolls and forwarded directly to the plan trustee. During the years ended February 29, 2020 and February 28, 2019, the Committee contributed \$38,721 and \$41,489, respectively, to the plan on behalf of its employees.

NOTE 6 RELATED PARTY TRANSACTIONS

The Committee is jointly insured through the City of Belvedere and the Town of Tiburon. Insurance premiums are paid by the City of Belvedere and the Town of Tiburon on behalf of the Committee.

The Committee manages all uses of the Tiburon Community Room. All fees collected from the use of the room are paid to the Town of Tiburon. In a memorandum of understanding with the Town of Tiburon, it is agreed that the administrative time used in managing the Tiburon Community Room and the fees collected will be considered the Committee's "rent and utility payment" to the Town. The Committee also reimburses the City of Belvedere for bookkeeping fees. As of February 29, 2020 and February 28, 2019, the Committee owed \$0 to the City of Belvedere.

NOTE 7 LEASE COMMITMENTS

The Committee entered into a non-cancellable lease agreement with Inland Business Systems for the use of a Xerox copier. The 60 month lease expires in April, 2024 and requires monthly payments of \$525. Expense for lease payments and usage for the years ended February 29, 2020 and February 28, 2019 was \$7,649 and \$7,102, respectively.

The estimated future minimum payments on the lease are as follows:

<u>Years ending February 28</u>	
2021	\$ 6,300
2022	6,300
2023	6,300
2024	<u>6,300</u>
	<u>\$ 25,200</u>

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
(A California Joint Exercise of Powers Agency of the Town of Tiburon and the City of Belvedere)

NOTES TO FINANCIAL STATEMENTS
For the years ended February 29, 2020 and February 28, 2019

NOTE 8 LIQUIDITY MANAGEMENT

As part of the Committee's liquidity management strategy, the Committee structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Committee's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions, grants, and membership fees, if applicable. The Committee has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

NOTE 9 RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. These changes in classification do not affect previously reported cash flows from operating activities in the Statements of Cash Flows.

NOTE 10 CONCENTRATION OF CREDIT RISK

As of February 29, 2020, the Committee had exceeded the Federal Depository Insurance Committee cash limit of \$250,000 on its depository accounts. At February 29, 2020 the committee had approximately \$391,700 on deposit in excess of the federally insured limits.

NOTE 11 CORONA VIRUS SUBSEQUENT EVENT

Subsequent to year-end, the United States and global markets experienced significant volatility resulting from uncertainty caused by the world-wide coronavirus pandemic. The Committee is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these price movements. The Committee's financial statements do not include adjustments to fair value that may have resulted from these changes.

NOTE 12 SUBSEQUENT EVENTS

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued.