

**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 28, 2022 and 2021**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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 28, 2022 and 2021, 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.

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 28, 2022 and 2021, 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.

Basis for Opinion

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 BTJRC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 BTJRC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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, including omissions, 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 BTJRC'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 BTJRC'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.

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.



September 6, 2022
Bunker & Company LLP
San Rafael, CA

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 28, 2022

GENERAL OVERVIEW

It is the purpose of Belvedere-Tiburon Joint Recreation Committee ("BTJR") ("The Ranch") to enhance the experience of living in our community to play an active role in making it be a happier, healthier and more fulfilling place (and way) to live.

Our discussion and analysis of the Ranch's financial activities and performance provides an overview for the fiscal year ended February 28, 2022. Please read this in conjunction with the agency'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 Ranch's financial status effective February 28, 2022. It indicates the amount of cash and cash equivalents the agency 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, deferred program fees and long-term liabilities which includes deferred compensation. Finally, it shows fund equity, or the net worth of the Agency. Assets less liabilities equal 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 page 10, Note 5 explains the specifics regarding the Deferred Compensation figure, which is listed as both an Asset and a Liability.

The Statement of Revenues, Expenses and Fund Equity outlines sources of income and expenses for the fiscal year. It indicates that BTJR had an increase of \$100,812 in fund equity for the period ended February 28, 2022.

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 \$618,412.

The Statement of Cash Flows also shows changes in the agency'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 \$687,714 for a cash and cash equivalents balance of \$955,124 for the period ended February 28, 2022.

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 28, 2022

FINANCIAL HIGHLIGHTS

The Fiscal Year ended on February 28, 2022 shows total fund equity of \$283,435. This is an increase from the Fiscal Year ended February 28, 2021 of \$100,812. Total cash and cash equivalents increased for the period ended February 28, 2022 by \$687,714.

Within the 2021-22 fiscal year The Ranch was still operating under various COVID-19 pandemic related restrictions. Group size limitations were eliminated allowing The Ranch to operate at max capacity program sizes leading to profitable youth programming. Ongoing changes to indoor masking guidance continued to impact our adult and senior programs resulting in low attendance and therefore lower revenue.

Within this fiscal year, The Ranch Board of Directors adopted an Operating Reserves Policy for the organization. The purpose of the policy is to set aside monies to help fund operations in the face of natural disasters, pandemics, or other economic shocks and to cover unplanned budget shortfalls. Moving forward, The Ranch shall budget toward achieving a year end reserve balance (fund equity, net of capital assets) equal to six months of current year administrative and facility expenses. The Ranch is not expected to achieve its reserve target in a single year, but the annual budget should show the projected reserve balance at the year-end moving toward, or equal to, half of projected annual administrative and facility expenses, except during economic shocks. Unless amended, this reserve policy does not encourage accumulation of reserves above this target.

The Ranch sought and received \$68,600 of American Rescue Plan Act Funds from the members of the Joint Powers Agreement between the City of Belvedere and the Town of Tiburon. These funds were used for payroll to hire back full time Recreation Coordinator positions.

This financial report is designed to provide a general overview of the agency's fiscal situation for all those with an interest in BTJR's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to: Belvedere Tiburon Joint Recreation, The Ranch, 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

BALANCE SHEETS - PROPRIETARY ENTERPRISE FUND
February 28, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents (Notes 2 and 3)	\$ 955,124	\$ 267,410
Prepaid expenses	27,727	17,784
Total current assets	982,851	285,194
Capital assets, net of accumulated depreciation of \$181,803 in 2022 and \$173,817 in 2021 (Notes 2 and 4)	8,854	16,840
Deferred compensation (Note 5)	829,396	793,812
Total assets	\$ 1,821,101	\$ 1,095,846
LIABILITIES AND FUND EQUITY		
Current liabilities		
Accounts payable	\$ 19,164	\$ 27,667
Accrued expenses	27,782	-
Deferred program fees	661,324	91,744
Total current liabilities	708,270	119,411
Deferred compensation liability (Note 5)	829,396	793,812
Total liabilities	1,537,666	913,223
Fund equity		
Invested in capital assets	8,854	16,840
Fund equity	274,581	165,783
Total fund equity	283,435	182,623
Total liabilities and fund equity	\$ 1,821,101	\$ 1,095,846

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

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

For the years ended February 28, 2022 and 2021

	2022	2021
OPERATING REVENUE		
Program service fees	\$ 1,719,599	\$ 692,251
Community center rental	1,213	693
Total operating revenue	1,720,812	692,944
OPERATING EXPENSES		
Program service expenses	993,681	399,808
Brochure expense	4,646	7,004
Management and general	682,989	461,761
Depreciation (Note 4)	7,986	18,399
Other expenses	-	29
Total operating expenses	1,689,302	887,001
Net operating income	31,510	(194,057)
NON-OPERATING REVENUE		
Emergency assistance (Note 6)	68,600	124,726
Interest income	702	2,430
Change in fund equity	100,812	(66,901)
Total fund equity, beginning of year	182,623	249,524
Total fund equity, end of year	\$ 283,435	\$ 182,623

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 28, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,290,392	\$ 266,901
Cash paid to employees	(616,976)	(545,183)
Cash paid to suppliers	(1,055,004)	(473,345)
Net cash provided (used) by operating activities	<u>618,412</u>	<u>(751,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>702</u>	<u>2,430</u>
Net cash provided by investing activities	<u>702</u>	<u>2,430</u>
CASH FLOWS OTHER NON-OPERATING ACTIVITIES		
Contributions	<u>68,600</u>	<u>124,726</u>
Net cash provided by non-operating activities	<u>68,600</u>	<u>124,726</u>
Change in cash and cash equivalents	687,714	(624,471)
Cash and cash equivalents, beginning of year	<u>267,410</u>	<u>891,881</u>
Cash and cash equivalents, end of year	<u>\$ 955,124</u>	<u>\$ 267,410</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating gain (loss) of income	\$ 100,812	\$ (66,901)
Changes in assets and liabilities		
Depreciation	7,986	18,399
Accounts receivable	-	15,819
Prepaid expenses	(9,943)	(6,178)
Accounts payable and accrued expenses	(8,503)	(74,695)
Accrued payroll and related expenses	27,782	(69,053)
Deferred program fees	569,580	(441,862)
Total adjustments	<u>586,902</u>	<u>(557,570)</u>
Net cash provided (used) by operating activities	<u>\$ 687,714</u>	<u>\$ (624,471)</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 28, 2022 and 2021

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 nine members: four from Belvedere, four 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.

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 28, 2022 and 2021

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.

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.

- 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 28, 2021 and February 29, 2020.

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.

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.

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 28, 2022 and 2021

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

NOTE 3 CASH AND CASH EQUIVALENTS AND LOCAL AGENCY INVESTMENT FUND

Cash and cash equivalents at February 28, 2022 and 2021 are as follows:

	2022	2021
Petty cash	\$ 157	\$ 157
Bank of Marin	567,746	255,734
Local Agency Investment Fund	387,221	11,519
	\$ 955,124	\$ 267,410

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.

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 2020-2021</u>	<u>Percent of Portfolio Fiscal Year 2019-2020</u>
U.S. Treasuries	68.02%	70.21%
Agencies	18.90	13.17
Loans	.35	0.38
CDs/Bank Notes	5.71	8.41
Time Deposits	1.90	2.04
Commercial Paper	4.91	5.74
Corporate Bonds	.21	0.05
Total Portfolio	100.00%	100.00%

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 28, 2022 and 2021

NOTE 3 CASH AND CASH EQUIVALENTS AND LOCAL AGENCY INVESTMENT FUND

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.

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.

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 28, 2022 and 2021

NOTE 4 CAPITAL ASSETS

Capital assets consist of the following:

<u>Capital Assets, at Cost</u>	
Balance, February 29, 2020	\$ 190,657
Additions	-
Balance, February 28, 2021	<u>190,657</u>
Additions	-
Balance, February 28, 2022	<u>190,657</u>
 <u>Accumulated Depreciation</u>	
Balance, February 29, 2020	155,418
Depreciation expense	<u>18,399</u>
Balance, February 28, 2021	173,817
Depreciation expense	<u>7,986</u>
Balance, February 28, 2022	<u>181,803</u>
 Capital assets, net	 <u>\$ 8,854</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.

The assets for the employee deferred compensation plan totaled \$829,396 and \$793,812 at February 28, 2022 and 2021, respectively. The assets of the deferred compensation plan remain the property of the Committee until made available to participants and all deferred amounts are forwarded directly to the plan trustee. During the years ended February 28, 2022 and 2021, the Committee contributed \$26,901 and \$7,352, 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 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 28, 2022 and 2021, the Committee owed \$0 to the City of Belvedere.

BELVEDERE-TIBURON JOINT RECREATION COMMITTEE
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NOTES TO FINANCIAL STATEMENTS
For the years ended February 28, 2022 and 2021

NOTE 7 EMERGENCY ASSISTANCE

During the year ended February 28, 2021, the Committee asked for financial assistance from the City of Belvedere and Town of Tiburon due to organizational disruption from the COVID-19 pandemic. The request was granted and the Committee received \$24,800 from the City of Belvedere and \$99,200 from the Town of Tiburon.

During the year ended February 28, 2022, The Town of Tiburon and the City of Belvedere applied for funds from the American Rescue Plan (ARP) on behalf of BTJRC. The Town of Tiburon was granted \$54,800 and the City of Belvedere was granted \$13,720 for a total amount of \$68,600 which was forwarded to BTJRC during the year.

NOTE 8 LEASE COMMITMENTS

The Committee entered into a 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 28, 2022 and 2021 was \$7,824 and \$8,669, respectively.

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

<u>Years ending February 28</u>	
2023	\$ 6,300
2024	<u>1,050</u>
	<u>\$ 7,350</u>

NOTE 9 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 program fees. 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.

Cash and cash equivalents, at February 28, 2022	
Available to meet cash needs for general expenditures	<u>\$ 955,124</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 28, 2022 and 2021

NOTE 10 CONCENTRATION OF CREDIT RISK

As of February 28, 2022, the Committee had exceeded the Federal Depository Insurance Committee cash limit of \$250,000 on its depository accounts. At February 28, 2022 the committee had approximately \$618,000 on deposit in excess of the federally insured limits.

NOTE 11 CORONAVIRUS

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.