



— CITY OF BELVEDERE, CALIFORNIA —

COMPREHENSIVE ANNUAL FINANCIAL REPORT

WITH INDEPENDENT AUDITORS' REPORT

*** * * * ***

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

Finance Department

CITY OF BELVEDERE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	4
List of Principal Officials	5
Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association	6
FINANCIAL SECTION	
Independent Auditor's Report	7
Management's Discussion and Analysis	10
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements:	18
Statement of Net Position	19
Statement of Activities and Changes in Net Position	20
Governmental Fund Financial Statements:	
Governmental Funds:	22
Balance Sheet	23
Reconciliation of the Governmental Funds to the Government-Wide Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances	25
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	26
Fiduciary Funds:	
Statement of Fiduciary Net Position	27
Notes To Basic Financial Statements	28
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Cost-Sharing Multiple Employer Defined Pension Plan - Last Ten Years	61
Budgetary Comparison Schedules:	63
General Fund (General Fund and Annually Budgeted Major Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual)	63
Fire Protection Fund (General Fund and Annually Budgeted Major Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual)	64
OPEB-Schedule of Funding Progress	65
Notes To Required Supplementary Information	66
<u>SUPPLEMENTARY INFORMATION</u>	
COMBINING OTHER GOVERNMENTAL FUNDS FINANCIAL INFORMATION	67
General Funds:	
Combining Balance Sheet - General Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Funds	69
Other Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	71

CITY OF BELVEDERE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

SUPPLEMENTARY INFORMATION (CONTINUED)

Other Nonmajor Governmental Funds (continued):	
Combining Balance Sheet - Other Special Revenue Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Special Revenue Funds	73
COMBINING FIDUCIARY FUNDS FINANCIAL INFORMATION	74
Combining Statement of Fiduciary Net Position	75
Statement of Changes In Assets and Liabilities	76
NONMAJOR BUDGETARY COMPARISON SCHEDULES	79
Insurance Reserve Fund (Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual)	80
Capital Improvement Fund (Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual)	81
Equipment Replacement Fund (Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual)	82
Library Fund (Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual)	83
Gas Tax Fund (Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual)	84

STATISTICAL SECTION

Statistical Information:	85
Financial Trends	
Net Position by Component - Last Ten Fiscal Years	86
Changes in Net Position - Last Ten Fiscal Years	87
Program Revenues by Function/Program - Last Ten Fiscal Years	89
Fund Balance of Governmental Funds - Last Ten Fiscal Years	90
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	91
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property - Last Four Fiscal Years	92
Assessed Value of Property by Use Code, Citywide - Last Four Fiscal Years	93
Direct and Overlapping Property Tax Rates - Last Four Fiscal Years	94
Principal Property Tax Payers - Last Fiscal Year and Nine Years Ago	95
Principal Sales Tax Producers - Last Fiscal Year	96
Principal Tax Levies and Collections - Last Ten Fiscal Years	97
Debt Capacity	
Direct and Overlapping General Fund Debt - Last Fiscal Year	98
Demographic and Economic Information	
Demographic and Economic Statistics - Last Four Fiscal Years	99
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	100
Operating Information	
Operating Indicators by Function/Program - Last Ten Fiscal Years	101
Capital Asset Statistics by Function/Program	102

COMPLIANCE

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	103
---	-----



— CITY OF BELVEDERE, CALIFORNIA —

INTRODUCTORY

SECTION

* * * * *



CITY of BELVEDERE

450 San Rafael Avenue • Belvedere CA 94920-2399
Tel: 415/435-3838 • Fax: 415/435-0430

December 21, 2015

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Belvedere

The City, in compliance with its policy to fully disclose its financial information and to maintain compliance with all state and federal regulations, publishes a complete set of audited financial statements within six months after the close of each fiscal year. The Comprehensive Annual Financial Report of the City of Belvedere is published to fulfill that requirement for the fiscal year ended June 30, 2015. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. City management assumes full responsibility for the accuracy, completeness and reliability of all of the information contained in this report.

The City's financial statements have been audited by OUM & Co. LLP, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with generally accepted accounting principles ("GAAP"). The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles ("GAAP") require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the ("MD&A") and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Government Profile

The City of Belvedere is a residential community located on the Tiburon Peninsula in Marin County, California. Belvedere is less than one square mile in size and is surrounded on three sides by the waters of the San Francisco Bay. The town is situated on two "islands" (Belvedere Island and Corinthian Island) with a lagoon between them. The Belvedere Lagoon is owned and maintained by the Belvedere Lagoon Property Owners' Association. The lagoon is not accessible by boat from the San Francisco Bay, and no public access is provided.

Belvedere provides its residents with amazing views in every direction. San Francisco, the Golden Gate Bridge, Sausalito, Angel Island and Mt. Tamalpais can be seen from Belvedere. The population of Belvedere is just over 2,100. A small fraction of the land area in Belvedere is devoted to commercial uses, including offices, services and retail establishments.

Incorporated in 1896, Belvedere has a Council/Manager form of government. Policy-making and legislative authority are vested in the governing city council, which consists of a mayor, vice-mayor and three council members. Council members are elected on a non-partisan basis to overlapping four-year terms. The council members select the Mayor and Vice Mayor each year. The Council is responsible for passing ordinances, adopting the budget, appointing commission and board members, and hiring the City Manager and City Attorney.

The City Manager is responsible for assuring compliance with all ordinances, implementing the policies and direction of the City Council, appointing department heads, hiring employees, and managing the daily operations of the City.

The City provides a range of municipal services including law enforcement, construction and maintenance of city streets and park maintenance. Contract fire services are provided by the Tiburon Fire Protection District. Library and Recreation services are provided through joint powers agreements with the Town of Tiburon.

The annual budget serves as the foundation for the City of Belvedere's financial planning and control system. The City's departments are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing the proposed budget. In June of each year, the City Manager submits to the City Council a proposed operating budget for review. The Council holds a public hearing and a final budget is adopted by June 30.

The budget is adopted by fund, department and account classification. The City Manager may transfer budgeted amounts within any fund. Only the City Council can approve additional appropriations. The City Council is given a financial report and a comprehensive budget review at mid-year.

Economic Outlook

The City is primarily residential and the majority of general fund revenue received, (77%), is from local property taxes. Current Secured Property Tax revenue increased 4.6% in fiscal year 2015 and is estimated to increase 5% in fiscal year 2016. Currently there are 18 homes for sale in Belvedere with sales prices ranging from \$1 to \$12 million and an average list price of \$5.6 million.

Total General Fund revenues in 2015 increased \$379,466 (7%) over the prior fiscal year. This increase was primarily due to an increase in construction penalty revenue.

Belvedere's revenues are not greatly affected by downturns in the economy as many other cities are because only a small percentage of revenue received is from sales tax and there are no hotels in town. In the ten years from fiscal year 2005 through fiscal year 2015, property taxes increased an average of 5.13% per year.

Long-Term Financial Planning

The City has identified \$2.9 million in capital projects to be completed over the next five fiscal years. Capital projects included are \$1 million for street improvements, \$0.49 million for storm drainage repairs, \$0.24 million for community building upgrades, and \$1.1 million for miscellaneous uncategorized projects.

Funding for street related projects will come from various sources including Road Impact Fee revenue which is collected at the time a construction permit is issued, State Gas Tax revenue and Marin County Measure A sales tax revenue.

The City adopted its General Fund Operational Reserve Policy in 2007. The policy requires that the City maintain 6-months General Fund operating expenses within the General Fund Reserve. In August 2013, the City Council voted to make a substantial payment to the CalPERS Retirement Fund in order to pay off side fund debt. This payment caused the General Fund Reserve to drop to 37% of operating expenses. It is anticipated that the reserve will build back up to 50% in the next five years.

Financial Information

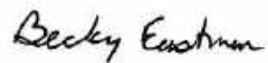
The City's management is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. It is management's belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

This report was completed with contributions from Mary Neilan, City Manager and Larry Wheat, Finance Committee Chair.

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belvedere for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the second year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

Sincerely,

A handwritten signature in cursive script that reads "Becky Eastman".

Becky Eastman
Finance Officer



Belvedere Residents

City Council

Bob McCaskill, Mayor
Claire McAuliffe, Vice Mayor
City Councilors: Sandra Donnell, Marty Winter, James Campbell

City Attorney
Rob Epstein
Deputy City Attorney
Emily Longfellow

City Manager
Mary Neilan

Public Safety

Police Chief
Tricia Seyler
Contract for Services

Tiburon Fire Protection District
Contract for Services

Police Secretary
Lylene Phillips

Police Sergeants
Chris Pool,
Tom Marksbury

Police Officers
Andy Rosas, Paul Sims
Mike Celeberti,
Charlie Wayshak

Planning & Building

City Planner
Irene Borba

Building Official
Eric Banvard

Associate Planner
Rebecca Markwick

Building Inspector
Genaro Muniz

Department Secretary II
Nancy Miller

Department Secretary II
Lorrie Duffy

Administration

Finance Officer
Becky Eastman

City Clerk
Leslie Carpentiers

IT Coordinator
Marin IT
Contract for Services

Admin Clerk
Allison Foulis

Public Works

Public Works Manager
Scott Derdenger

Maintenance Supervisor
Gerhard Laufer

Maintenance Workers
Max Sandoval
Shane Rodgers

City Engineer
John Moe
Contract for Services

PRINCIPAL OFFICERS

CITY OF BELVEDERE

JUNE 30, 2015

CITY COUNCIL

Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember

Bob McCaskill
Claire McAuliffe
Sandra Donnell
James Campbell
Marty Winter

COUNCIL APPOINTEES

City Manager
City Attorney
Deputy City Attorney

Mary Neilan
Robert Epstein
Emily Longfellow

DEPARTMENT MANAGERS

City Clerk
Finance Officer
City Planner
Police Chief
Public Works Manager
Building Official

Leslie Carpentiers
Becky Eastman
Irene Borba
Tricia Seyler
Scott Derdenger
Eric Banvard



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Belvedere
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



— CITY OF BELVEDERE, CALIFORNIA —

FINANCIAL

SECTION

* * * * *



To the City Council
City of Belvedere, California

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belvedere, California (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in Note 8 to the financial statements:

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

The emphasis of matter does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, pension funding, and other post-employment benefit funding information on pages 10–17 and 60–66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual General and nonmajor fund financial statements, combining fiduciary fund financial statements, nonmajor budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual General and nonmajor fund financial statements, combining fiduciary fund financial statements, and nonmajor budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual General and nonmajor fund financial statements combining fiduciary fund financial statements, and nonmajor budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

OUM + Co. LLP

San Francisco, California
December 21, 2015



— CITY OF BELVEDERE, CALIFORNIA —

MANAGEMENT'S DISCUSSION

AND ANALYSIS

* * * * *

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Belvedere's financial activities and performance provides an overview for the fiscal year ended June 30, 2015. Please read this in conjunction with the City's financial statements, which follow this discussion and analysis.

Government-Wide Highlights

In the fiscal year ended June 30, 2015, the City of Belvedere implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this pronouncement required a prior period adjustment and reduced the City's net position as of July 1, 2014, by \$3.46 million.

- The Government-Wide Statement of Net Position appearing as the first statement of the Basic Financial Statements and summarized in this Management Discussion and Analysis, show the City's assets to be approximately \$9.6 million; deferred outflows of \$0.3 million; liabilities of \$3.6 million; deferred inflows of \$1.0 million; and net position of \$5.3 million.
- Total City revenues were approximately \$7.5 million (general revenues of \$6.3 million and program revenues of \$1.2 million) compared with total expenses of approximately \$7.1 million resulting in an increase in net position of approximately \$0.3 million for the fiscal year ended June 30, 2015.
- The City's cash and investments totaled \$3 million and net capital assets totaled approximately \$6.4 million at June 30, 2015, representing 31% and 67% of the City's total assets, respectively.
- The City's total liabilities totaled approximately \$3.6 million as of June 30, 2015 and consist primarily of refundable deposits, accounts payable, compensated absences, postemployment benefit obligation and net pension liability.

Fund Highlights

- As of the close of fiscal year 2015, the City's governmental funds reported a combined ending fund balance of approximately \$2.9 million, an increase of \$0.3 million for the year ended June 30, 2015. The detailed components of Revenues and Expenditures can be found in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances on page 25.

City's Highlights

- In 2015 the City spent \$239,000 on a project to stabilize the seawall and sidewalk on Beach Road which is one of the two main entries to the City.
- Two large fines were paid by home owners who exceeded their construction time limit. The amounts collected were \$128,800 & \$200,000.

Budgetary Highlights

- There were no budget variances between the final amended budget and actual results in the general fund.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities and Changes in Net Position presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some of the revenues and expenses reported in this statement may result in cash flows only in future fiscal periods, such as revenues related to uncollected taxes and interest expense incurred but not paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds of governmental entities are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) short-term inflows and outflows of spendable resources and (2) the remaining year-end balances available for spending. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City maintains 8 individual governmental funds. In the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances, information is presented separately for the following funds considered to be major funds:

- General Fund
- Fire Protection Fund
- General Capital Improvements Fund

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because those resources are not available to support the City's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. One section includes budgetary comparison statements for the major funds (general, fire protection, and general capital improvements). The other section is a schedule of funding progress for PERS and OPEB.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position is a measure of a government's financial position and, over time, a trend of increasing or decreasing net position is an indicator of the financial health of the organization. The City's assets exceed liabilities by approximately \$6.03 million. A schedule of net position is presented in the following table in thousands:

Net Position					
June 30, 2015 and 2014					
(thousands)					
	Governmental		Total Primary		Total
	Activities		Government		
	2015	2014	2015	2014	Change
Current and other assets	\$ 3,211	\$ 3,085	\$ 3,211	\$ 3,085	4%
Capital assets	6,424	6,291	6,424	6,291	2%
Total assets	9,635	9,376	9,635	9,376	3%
Deferred outflows related to pension	297	-	297	-	100%
Total deferred outflows	297	-	297	-	100%
Current liabilities	322	454	322	454	-29%
Noncurrent liabilities	3,283	403	3,283	403	715%
Total liabilities	3,605	857	3,605	857	321%
Deferred outflows related to pension	986	-	986	-	100%
Total deferred outflows	986	-	986	-	100%
Net position:					
Net investment in capital assets	6,424	6,291	6,424	6,291	2%
Unrestricted	(1,083)	2,228	(1,083)	2,228	-149%
Total net position	\$ 5,341	\$ 8,519	\$ 5,341	\$ 8,519	-37%

Comparative data is not available for FY 2014 related to deferred outflows, deferred inflows and net pension liability due to pension accounting change required by GASB 68 & 71.

Net investment in capital assets (e.g., land, buildings, equipment and infrastructure) of \$6.4 million represents the cost of these assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Resources needed to repay the outstanding debt must be provided from other sources other than the related assets, because the capital assets themselves cannot be used to repay these debts. At June 30, 2015, the City has no outstanding debt used to acquire those assets.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Due to the implementation of GASB 68 & 71 and the recording of a net pension liability, the unrestricted net position was (\$1.08) million. Restricted net

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

position represents resources that are subject to external restrictions on how they may be used. At June 30, 2015, the City does not have any restricted assets.

Changes in Net Position

The City's net position increased by approximately \$0.3 million during the current fiscal year and decreased by \$0.6 million during the prior fiscal year. The increase in the City's net position is principally from the program revenues of the governmental activities. Information about changes in net position is summarized in the following table in thousands:

Activities and Changes in Net Position					
For the Fiscal Years Ended June 30, 2015 and 2014 (thousands)					
	Governmental Activities		Total Primary Government		Total Percentage Change
	2015	2014	2015	2014	
Revenues:					
Program revenues:					
Charges for services	\$ 1,208	\$ 856	\$ 1,208	\$ 856	41%
General revenues:					
Taxes	4,994	5,058	4,994	5,058	-1%
Franchise and other taxes	267	159	267	159	68%
Earnings on investment	45	42	45	42	7%
Revenues from other agencies	841	885	841	885	-5%
Other revenue	120	151	120	151	-21%
Total revenues	7,475	7,151	7,475	7,151	5%
Program expenses:					
General government	840	1,029	840	1,029	-18%
Police	1,717	1,979	1,717	1,979	-13%
Fire	1,240	1,169	1,240	1,169	6%
Planning and development	1,083	1,566	1,083	1,566	-31%
Public works	916	1,083	916	1,083	-15%
Non Departmental	402	-	402	-	100%
Library and community services	699	672	699	672	4%
Unallocated depreciation expense	294	273	294	273	8%
Total program expenses	7,191	7,771	7,191	7,771	-7%
Transfers:					
	-	-	-	-	
Change in net position	284	(620)	284	(620)	
Net position, beginning of year, as restated	5,057	9,139	5,057	9,139	
Net position, end of year	\$ 5,341	\$ 8,519	\$ 5,341	\$ 8,519	

As noted earlier, the City uses fund accounting to ensure compliance with finance related legal requirements and restrictions. The fund basis financial statements presented in this report address the need of the City to demonstrate compliance with financial restrictions, and they allow the statements' users to separately analyze individual funds. The City maintains two types of funds: Governmental and Fiduciary.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Major Governmental Funds

Activity of the Governmental Funds is summarized in the following table:

Governmental Funds
Revenues, Expenditures and Other Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015 and 2014 (thousands)

	2015			2014		Change
	General Fund	Other Major Funds	Other Funds	Total Gov. Funds	Total Gov. Funds	
Revenues	\$ 5,791	\$ 1,004	\$ 680	\$ 7,475	\$ 7,151	5%
Current expenditures	4,650	1,240	600	6,490	7,067	-8%
Capital outlay	-	661	52	713	539	32%
	4,650	1,901	652	7,203	7,606	-5%
Net transfers	(947)	976	(28)	-	-	100%
Net change in fund balances	194	79	-	272	(455)	-160%
Fund balances, beginning of year	2,178	338	115	2,631	3,086	-15%
Fund balances, end of year	\$ 2,372	\$ 417	\$ 115	\$ 2,903	\$ 2,631	10%

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

General fund revenues of \$5.8 million increased by \$.4 million from the previous fiscal year, primarily due to an increase in construction time limit fines. General fund expenditures of \$4.6 million decreased by \$0.7 million over the previous fiscal year.

Transfers out of \$947,351 consist of transfers out for capital improvement and equipment replacement (\$437,482) and fire protection (\$494,602).

The General Fund balance at fiscal year-end was \$2.4 million consisting of non-spendable (\$16,150), restricted (\$77,808), assigned (\$157,592) and \$2,120,184 that was unassigned.

Other Major Funds - Fire Protection Fund

Revenues in the Fire Protection Fund, which were generated from a Citywide Parcel Tax, were \$745,338, an increase of \$340 over the previous fiscal year. Expenses were \$1,239,940, an increase of \$70,501 over the previous year.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Major Funds - General Capital Improvements Fund

Revenues in the Capital Improvement Fund were \$259,468, a decrease of \$57,838 over the previous year. Expenses were \$661,863, an increase of \$135,743 from the previous year.

The General Capital Improvements Fund balance at fiscal year-end amounted to \$207,737 in restricted funds and \$208,100 in assigned funds. There were no original to final budget differences.

Major events affecting capital assets during the current fiscal year included the following:

- Citywide street & drainage projects totaling \$152,095. Various streets were paved as needed in the City and a storm drain pipeline was relined on Community Road.
- Beach Road Stabilization project, \$238,675. The seawall and sidewalk along Beach Road were repaired from damage caused by erosion and wave action.

Information regarding fiscal year 2014/15 capital asset activity is provided in *Note 4 - Capital assets* to the Financial Statements.

Fiduciary Funds

The Fiduciary Fund maintained by the City consists of Local Improvement Districts ("LID"s). LID's are established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the Districts' debt which is not included in the general debt of the City.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

General Fund revenues for fiscal year ending June 30, 2016 are anticipated to decrease by \$152,375. General Fund expenditures are anticipated to increase by \$55,787 for FY2015-16.

Fire Protection Fund revenue will increase by \$33,205, the amount permitted by the Proposition 4 Limitation Factor. Expenditures are estimated to increase by \$299,223.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Below is the contact address for questions about this report or requests for additional financial information.

City of Belvedere
Finance Department 450 San Rafael Ave.
Belvedere, CA 94920
Ph: 415-435-3838



— CITY OF BELVEDERE, CALIFORNIA —

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

* * * * *

CITY OF BELVEDERE
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Total
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 2,981,537	\$ 2,981,537
Receivables:		
Accounts receivable, net	85,538	85,538
Prepaid items	143,687	143,687
Total current assets	<u>3,210,762</u>	<u>3,210,762</u>
Capital assets:		
Depreciable, net	6,423,791	6,423,791
Total capital assets	<u>6,423,791</u>	<u>6,423,791</u>
Total assets	<u>9,634,553</u>	<u>9,634,553</u>
<u>DEFERRED OUTFLOWS</u>		
Deferred outflows related to pension (Note 9)	297,264	297,264
Total deferred outflows	<u>297,264</u>	<u>297,264</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and other liabilities	147,910	147,910
Compensated absences due within one year	13,982	13,982
Refundable deposits	160,281	160,281
Total current liabilities	<u>322,173</u>	<u>322,173</u>
Long-term liabilities:		
Compensated absences	196,596	196,596
Postemployment benefit obligation	264,964	264,964
Net pension liability	2,821,673	2,821,673
Total liabilities	<u>3,605,406</u>	<u>3,605,406</u>
<u>DEFERRED INFLOWS</u>		
Deferred inflows related to pension (Note 9)	985,501	985,501
Total deferred outflows	<u>985,501</u>	<u>985,501</u>
<u>NET POSITION</u>		
Net investment in capital assets	6,423,791	6,423,791
Unrestricted	<u>(1,082,881)</u>	<u>(1,082,881)</u>
Total net position	<u>\$ 5,340,910</u>	<u>\$ 5,340,910</u>

See accompanying notes to basic financial statements.

CITY OF BELVEDERE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 839,551	\$ 12,523	\$ -	\$ -	\$ (827,028)
Public safety:					
Police services	1,717,175	53,245	-	-	(1,663,930)
Fire services	1,239,940	-	-	-	(1,239,940)
Planning and development	1,082,995	981,766	-	-	(101,229)
Public works	916,263	160,412	-	-	(755,851)
Recreation (The Ranch)	99,253	-	-	-	(99,253)
Non Departmental	401,903	-	-	-	(401,903)
Library	600,217	-	-	-	(600,217)
Unallocated depreciation expense	294,135	-	-	-	(294,135)
Total governmental activities	7,191,432	1,207,946	-	-	(5,983,486)
Change in net position:					
Net (expense) revenue	\$ 7,191,432	\$ 1,207,946	\$ -	\$ -	\$ (5,983,486)

continued
next page

CITY OF BELVEDERE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Primary Government	
	Governmental Activities	Total
Change in net position:		
Net (expense) revenue	\$ (5,983,486)	\$ (5,983,486)
General revenues:		
Taxes:		
Property taxes	4,993,837	4,993,837
Other taxes	115,208	115,208
Use of money/property	44,630	44,630
Intergovernmental revenues	841,403	841,403
Franchise fees	152,253	152,253
Other revenues	119,985	119,985
Total general revenues	6,267,316	6,267,316
Transfers	-	-
Change in net position	283,830	283,830
Net position, beginning of year, as adjusted (Note 8)	5,057,080	5,057,080
Net position, end of year	\$ 5,340,910	\$ 5,340,910

See accompanying notes to basic financial statements.



— CITY OF BELVEDERE, CALIFORNIA —

GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS

* * * * *

CITY OF BELVEDERE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Major Funds</u>			<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Fire Protection Fund</u>	<u>General Capital Improvements</u>	<u>Other Funds</u>	
<u>ASSETS:</u>					
Cash and investments	\$ 2,586,663	\$ -	\$ 418,388	\$ 109,626	\$ 3,114,677
Accounts receivable, net	69,268	5,603	130	10,537	85,538
Prepaid and other current assets	16,150	127,537	-	-	143,687
Total assets	\$ 2,672,081	\$ 133,140	\$ 418,518	\$ 120,163	\$ 3,343,902
<u>LIABILITIES:</u>					
Accounts payable and other liabilities	\$ 140,066	\$ -	\$ 2,681	\$ 5,163	\$ 147,910
Cash balance overdraft	-	133,140	-	-	133,140
Refundable deposits	160,281	-	-	-	160,281
Total liabilities	300,347	133,140	2,681	5,163	441,331
<u>FUND BALANCES:</u>					
Nonspendable	16,150	-	-	-	16,150
Restricted	77,808	-	207,737	100,000	385,545
Assigned	157,592	-	208,100	15,000	380,692
Unassigned	2,120,184	-	-	-	2,120,184
Total fund balances	2,371,734	-	415,837	115,000	2,902,571
Total liabilities and fund balances	\$ 2,672,081	\$ 133,140	\$ 418,518	\$ 120,163	\$ 3,343,902

See accompanying notes to basic financial statements.

CITY OF BELVEDERE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2015

Total Fund Balances - Total Governmental Funds **\$ 2,902,571**

Amounts reported for governmental activities in the Statement of Net Assets 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.

Depreciable	\$ 10,570,225	
Less accumulated depreciation	<u>(4,146,434)</u>	6,423,791

Deferred outflow related to pension	297,264	297,264
-------------------------------------	---------	---------

Long-term liabilities are not due and payable in the current period and, therefore, were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Accrued compensated absences	(210,578)	
Postemployment benefit obligation	(264,964)	
Net pension liability	(2,821,673)	
Deferred inflow related to pension	<u>(985,501)</u>	<u>(4,282,716)</u>

Net Position of Governmental Activities **\$ 5,340,910**

CITY OF BELVEDERE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Funds			Non-Major Funds	Total Governmental Funds
	General	Fire Protection Fund	General Capital Improvements	Other Funds	
Revenues:					
Property taxes	\$ 4,248,499	\$ 745,338	\$ -	\$ -	\$ 4,993,837
Other taxes	115,208	-	-	-	115,208
Licenses and permits	367,059	-	-	-	367,059
Fines and forfeitures	368,789	-	-	-	368,789
Use of money/property	21,088	-	23,542	-	44,630
Intergovernmental revenues	129,801	-	43,674	667,928	841,403
Charges for services	311,686	-	160,412	-	472,098
Franchise fees	152,253	-	-	-	152,253
Other revenues	76,415	-	31,840	11,730	119,985
Total revenues	5,790,798	745,338	259,468	679,658	7,475,262
Expenditures:					
Current:					
General government	753,666	-	-	-	753,666
Public safety:					
Police	1,624,789	-	-	-	1,624,789
Fire	-	1,239,940	-	-	1,239,940
Planning & development	1,029,395	-	-	-	1,029,395
Public works	769,864	-	-	-	769,864
Recreation (The Ranch)	70,380	-	-	-	70,380
Non Departmental	401,903	-	-	-	401,903
Library	-	-	-	600,217	600,217
Capital outlay	-	-	661,863	51,651	713,514
Total expenditures	4,649,997	1,239,940	661,863	651,868	7,203,668
Revenues over (under) expenditures	1,140,801	(494,602)	(402,395)	27,790	271,594
Other financing sources (uses):					
Transfers from other funds	-	494,602	480,539	39,921	1,015,062
Transfers to other funds	(947,351)	-	-	(67,711)	(1,015,062)
Total other financing sources (uses)	(947,351)	494,602	480,539	(27,790)	-
Net change in fund balances	193,450	-	78,144	-	271,594
Fund balances-beginning	2,178,284	-	337,693	115,000	2,630,977
Fund balances-ending	\$ 2,371,734	\$ -	\$ 415,837	\$ 115,000	\$ 2,902,571

See accompanying notes to basic financial statements.

CITY OF BELVEDERE

**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, 2015

Net changes in fund balances - total governmental funds **\$ 271,594**

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 Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 604,203	
Depreciation expense	(454,459)	
Net loss on disposal	<u>(16,636)</u>	133,108

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

Change in compensated absences	(22,670)	
Change in postemployment benefit obligation	<u>(50,274)</u>	(72,944)

Net Pension Liability Transactions

Governmental funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows (inflows) and an increase/(decrease) in net pension liability.

	<u>(47,928)</u>	<u>(47,928)</u>
--	-----------------	-----------------

Total changes in net position of governmental activities **\$ 283,830**

CITY OF BELVEDERE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and investments:	
Redemption Fund	\$ 548,709
Reserve Fund	<u>280,260</u>
	828,969
Interest receivable	<u>6,249</u>
Total assets	<u><u>\$ 835,218</u></u>
<u>LIABILITIES:</u>	
Accounts payable	\$ -
Due to special assessment districts	<u>835,218</u>
Total liabilities	<u><u>\$ 835,218</u></u>

See accompanying notes to basic financial statements.



— CITY OF BELVEDERE, CALIFORNIA —

NOTES TO BASIC

FINANCIAL STATEMENTS

* * * * *

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - Summary of significant accounting policies:

The basic financial statements of the City of Belvedere (the "City") 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. Reporting Entity

The City is a municipal corporation governed by an elected five-member Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. At June 30, 2015, the City did not have any component units that met this criterion.

B. Description of Funds

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial expectations.

C. Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities and Business-type activities for the City, accompanied by a total column. These financial statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed generally through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed generally through user fees. The City does not currently have any Business-type activities.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* ("GASB 34") in regards to interfund activities, payables and receivables.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

D. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in net fund balance as presented in these fund statements to the net position presented in the government-wide financial statements.

GASB 34 defines major funds and requires that the City's major governmental funds be identified and presented separately in the Fund financial statements. All other governmental funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as governmental funds which have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total or five percent of the grand total. The general fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds. No such funds were selected in fiscal 2015.

The major governmental funds of the City are:

- **General Fund** – The General Fund is used to account for the resources to carry out basic governmental activities of the City such as general government, public safety, public works, and parks and recreation, which are not required to be accounted for in another fund.
- **Fire Protection Fund** - This fund was established to receive and expend revenue from Measure C, the fire and emergency services special tax levy. This revenue, along with transfers from other funds, funds the cost of services provided by the Tiburon Fire Protection District.
- **General Capital Improvements Fund** – This fund is used to account for monies used for capital projects, including street improvements and the Community Park turf and sprinkler system project.

E. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position. Fiduciary funds have no measurement focus. The activities reported in the fiduciary fund type are Local Improvement District Debt with no City commitment. Information regarding Fiduciary Funds is provided in *Note 5 - Local Improvement District Debt with no City commitment* to the Financial Statements.

F. Basis of Accounting

The City-wide and Fiduciary Fund financial statements required by GASB 34 are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, if any are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. 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 Governmental Fund financial statements are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet, the Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

In fiscal year 2014, the City adopted GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB 65 also recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. There were no transactions determined by the City to be deferred inflows of resources or deferred outflows of resources that had been previously been recorded as assets or liabilities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving value in exchange, include taxes, grants, entitlements and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City 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.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB No. 34.

G. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the City's policy is to apply restricted net position first.

H. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). The City does not have any due to/from other funds.

Long-term advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not in a spendable form and are not expendable available financial resources. The City does not have any long-term advances between funds.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the purchases method in both the Government-Wide and Fund Financial statements.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Inventories and prepaid items, as reported in the Fund Financial Statements, are offset by a nonspendable fund balance for noncurrent assets in governmental funds to indicate that these resources are not in spendable form.

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$1,500. Gifts or contributions of capital assets are recorded at fair market value on the date donated. Depreciation of capital assets is charged as an expense 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. The City has assigned the useful lives listed below to capital assets: Buildings and improvements (20-30 years); Transportation equipment (10-15 years) and Machinery and Equipment (3-20 years).

K. Compensated Absences

City employees accrue vacation, sick, holiday, executive leave and compensatory time off benefits. Vacation may not accrue beyond 320 hours or as provided in the employee's memorandum of understanding ("MOU") and the current Salary and Benefits Resolution. Cash compensation is payable for accrued vacation upon separation of service and also payable each year when the accrual balance exceeds the maximum allowed on December 31. No cash payment is made for accrued sick leave upon separation of service. Upon retirement, eligible employees may convert sick leave to years of service credit as provided for in the City's contract with PERS. In lieu of overtime, it is the City's policy to allow employees to accumulate compensatory time to limits provided for in the MOU. This accumulation may subsequently be converted to cash up to limits provided for in their MOU or converted to cash upon separation of service.

All vacation pay is accrued when incurred in the Government-Wide and Fiduciary Fund financial statements. A liability for these amounts is reported in the governmental funds financial statements only when they have matured (such as vacation time, estimated to be paid upon retirement in the next fiscal year with expendable available financial resources).

The liability for compensated absences was \$210,578 on June 30, 2015 an increase of \$22,670 over the prior year's liability.

L. Unavailable Revenue and Revenue Received in Advance

Unavailable revenue in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period and is recorded as deferred inflows of resources. As of June 30, 2015, there is no unavailable revenue recorded.

Revenue received in advance arises when resources are received by the City before it has a legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures) and is recorded as a liability. As of June 30, 2015, \$16,260 is recorded as revenue received in advance and is presented in accounts payable and other liabilities on the governmental funds Balance Sheet and the government-wide Statement of Net Position.

M. Property Tax Revenues

State Constitution Article 13 provides for a maximum general property tax rate statewide of \$1.00 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above-referenced Article 13. The State Legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the counties, cities, school districts and other districts. Counties, cities and school districts may levy such additional tax rate as is necessary to provide for voter approved debt

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

service. The County of Marin assesses properties and bills for and collects property taxes according to the schedules that follow:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 and April 10	August 31

The term “Unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which the taxes have been levied.

N. Net Position

Government-Wide Net Position consists of the following:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that was attributed to the acquisition, construction or improvement of the assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses/expenditures. Actual results could differ from those estimates.

P. Fund Balance – Classifications

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned, and Unassigned amounts. See *Note 8 – Fund Balance* for a detailed explanation.

Q. Implementation of Accounting Standards

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The intention of this Statement is to improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The intent of this Statement is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

R. Recent Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of GASB Statement No. 27. The primary objective of Statement 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Statement 68 requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. Governments will also have to enhance note disclosures and schedules of required supplementary information. GASB 68 is effective for fiscal years beginning after June 30, 2015 and earlier application is encouraged. The City is currently evaluating the impact of adopting this GASB Standards.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*, which provides guidance on measurement and reporting of combinations and disposals of government operations. GASB 69 is effective for fiscal years beginning after June 30, 2015 and earlier application is encouraged.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which requires "a state or local government guarantor that offers a nonexchange financial guarantee to another government organization...to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement." In addition, Statement 70 requires: a government guarantor to consider qualitative factors when determining if a payment on its guarantee is more likely than not to be required. Such factors may include whether the issuer of the guaranteed obligation is experiencing significant financial difficulty or initiating the process of entering into bankruptcy or financial reorganization, an issuer government that is required to repay a guarantor for guarantee payments made to continue to report a liability unless legally released. When a government is released, the government would recognize revenue as a result of being relieved of the obligation, and a government guarantor or issuer to disclose information about the amounts and nature of nonexchange financial guarantees. GASB 70 is effective for reporting beginning after June 15, 2013 and earlier application is encouraged.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amendment of GASB Statement No. 68, which amends GASB Statement 68 to "require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability." The purpose of the new Statement is to remove "a potential source of understatement of restated beginning net position and expense in a government's first year of implementing Statement 68." GASB 71 is effective for fiscal years beginning June 15, 2014.

NOTE 2 - Stewardship, compliance, and accountability:

Budgetary information

The City operates under the general laws of the State of California ("State") and annually adopts a budget to be effective July 1 of the ensuing fiscal year. The City adopts an annual budget for General, Special Revenue and Capital Projects Funds. The legal level of budgetary control has been established at the fund level. Budgets are subject to a public hearing before they are adopted by the City Council. Budgets

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

are prepared on the cash basis and are not materially different from budgets prepared under accounting principles generally accepted in the United States of America.

All annual appropriations lapse at fiscal year-end. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a fund-by-fund basis.

The City Manager is authorized to transfer budget appropriations within the same fund in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown reflect the annual operating budget as originally passed. Encumbrance accounting, a method of recording purchase commitments, is not used by the City.

NOTE 3 - Cash and investments:

Government-wide cash and investments at June 30, 2015 consisted of the following:

	Carrying Value	Market Value
State of California - Local Agency Investment Fund	\$ 3,649,103	\$ 3,649,103
Cash in checking accounts	160,503	160,503
Petty cash	900	900
	\$ 3,810,506	\$ 3,810,506
Unrestricted	\$ 2,981,537	
Restricted	828,969	
	\$ 3,810,506	

The disposition of cash and investments by funds was as follows:

General fund	\$ 2,586,663
Capital improvement fund	418,388
Other non-major funds	109,626
	3,114,677
Fiduciary fund	828,969
Total cash and investments	\$ 3,943,646

The difference between the government-wide cash and investments and total fund cash and investments is due to the overdraft of cash by the Fire Protection fund of \$133,140.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Interest earned on pooled deposits and investments is allocated to the various funds based upon average balances. Interest earned by investments is credited directly to the respective fund.

Pooled demand deposits. The California Government Code requires California banks and savings and loans to secure a local agency's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the agency's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes at least equal to 150% of an agency's deposits. The agency may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC").

Investments. The City is authorized by its most recent investment policy to invest in the following investments generally with a maturity date not to exceed three years from the date of purchase:

- State Local Agency Investment Fund ("LAIF")
- Securities of the U.S. government
- Certificates of deposit
- Passbook savings and money market accounts

	12 months or less	Carrying amount
<u>Pooled investments</u>		
State of California Local Agency Investment Fund	\$ 3,649,103	\$ 3,649,103
Subtotal	3,649,103	3,649,103
Total	\$ 3,649,103	\$ 3,649,103

The LAIF is not registered with the Securities and Exchange Commission and is part of the Pooled Money Investment Account ("PMIA"). The PMIA began in 1956 and has oversight provided by the Pooled Money Investment Board ("PMIB") and an in-house Investment Committee. The PMIB board members are the State Treasurer, Director of Finance, and the State Controller. The fund is not rated. The fair value of the City's position in the pool is the same as the value of the pool share.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of five years or less.

NOTE 4 - Capital assets:

All capital assets are valued at historical cost or estimated cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed.

The City has chosen to defer the recording of historical costs of infrastructure assets; GASB 34 allows up to four years to record the costs and depreciation on these assets. With the implementation of GASB 34, the City has begun recording costs and depreciation of current infrastructure assets beginning with fiscal 2004.

GASB 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of the depreciation is to spread the cost of the capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of the capital assets. Depreciation is provided using the straight-line method over its expected useful life. Capital assets with a value over \$1,500 or more are capitalized.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Governmental capital asset activity for the fiscal year was as follows:

	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
Depreciable capital assets:				
City Hall & Community Center				
Buildings improvements	\$ 3,456,769	\$ -	\$ -	\$ 3,456,769
Corporation yard improvements	265,251	-	-	265,251
Office furniture & equipment	110,431	75,910	(1,779)	184,562
Transportation/other-Yard	354,448	-	-	354,448
Transportation/other-Police	217,492	42,064	(90,225)	169,331
Infrastructure	5,653,635	486,229	-	6,139,864
Total	<u>10,058,026</u>	<u>604,203</u>	<u>(92,004)</u>	<u>10,570,225</u>
Less - accumulated depreciation for:				
City Hall & Community Center				
Buildings improvements	2,317,027	115,492	-	2,432,519
Corporation yard improvements	-	10,610	-	10,610
Office furniture & equipment	-	2,943	-	2,943
Transportation/other-Yard	-	18,496	-	18,496
Transportation/other-Police	-	12,783	-	12,783
Infrastructure	1,450,316	294,135	(75,368)	1,669,083
	<u>3,767,339</u>	<u>454,459</u>	<u>(75,368)</u>	<u>4,146,434</u>
Depreciable capital assets, net	<u>6,290,687</u>	<u>149,744</u>	<u>(16,636)</u>	<u>6,423,791</u>
Total capital assets, net	<u>\$ 6,290,687</u>	<u>\$ 149,744</u>	<u>\$ (16,636)</u>	<u>\$ 6,423,791</u>

Depreciation expense for governmental activities was charged to each expense function as follows:

Governmental activities:	
General government	\$ 31,816
Police	41,656
Public works	29,106
Planning & building	28,873
Community Center	28,873
Infrastructure	294,135
	<u>\$ 454,459</u>

NOTE 5 - Local Improvement District Debt with no City commitment:

Local Improvement Districts ("LID"s) are established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the Districts' debt which is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2015 is as follows:

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

	<u>Balance,</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance,</u> <u>June 30, 2015</u>
LID Debt:				
Corinthian Island	\$ 60,000	\$ -	\$ (30,000)	\$ 30,000
Upper Beach Road	1,010,000	-	(35,000)	975,000
Madrona	1,645,000	-	(45,000)	1,600,000
San Rafael	940,000	-	(20,000)	920,000
Lower Belvedere	2,285,000	-	(50,000)	2,235,000
Bayview/Bella Vista	1,510,000	-	(30,000)	1,480,000
Mid San Rafael Ave	1,295,000	-	(25,000)	1,270,000
Pine Avenue	1,160,866	-	(20,866)	1,140,000
 Total	 <u>\$ 9,905,866</u>	 <u>\$ -</u>	 <u>\$ (255,866)</u>	 <u>\$ 9,650,000</u>

Corinthian Island Undergrounding Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The total assessments levied against the parcels in this District were \$792,000, of which cash prepayments amounted to \$217,529 (gross assessments of \$238,746 less a 9% discount offered for early payment).

In August 1998, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Corinthian Island Undergrounding Assessment District) were issued in the amount of \$553,254, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due 30n September 2, 1999. Interest on the bonds became payable commencing September 2, 1999, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund was established in the initial amount of \$42,000 from the bond proceeds. That amount, less any amounts transferred to the Redemption Fund, constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	30,000	705	30,705
	<u>\$ 30,000</u>	<u>\$ 705</u>	<u>\$ 30,705</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Upper Beach Road Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The total assessments levied against the parcels in this District were \$1,508,079. Cash payments of \$204,038 were received from six property owners leaving a balance of \$1,304,041.

In May 2002, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Upper Beach Road Underground Assessment District) were issued in the amount of \$1,304,041, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 2.25% to 5.25%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2003. Interest on the bonds become payable commencing March 2, 2003, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund was established in the initial amount of \$25,930 from the bond proceeds. The reserve fund is allowed to grow through interest earnings to the reserve requirement maximum of \$87,818. That amount, less any amounts transferred to the Redemption Fund, constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	\$ 35,000	\$ 48,408	\$ 83,408
2017	35,000	46,815	81,815
2018	40,000	45,070	85,070
2019	40,000	43,170	83,170
2020	45,000	41,119	86,119
2021-2025	245,000	170,863	415,863
2026-2030	315,000	100,126	415,126
2031-2033	220,000	17,588	237,588
	<u>\$ 975,000</u>	<u>\$ 513,159</u>	<u>\$ 1,488,159</u>

Madrona, Bella Vista and Oak Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$2,035,000. Full cash payment was received by one of the property owners and partial cash payments were received by two of the property owners to offset \$56,055 in aggregate confirmed assessments, leaving a balance of \$1,977,801. Six of the property owners have requested an increase in their individual assessments of \$5,000 each for funding service connections, giving a net total amount of unpaid assessments securing the Bonds of \$2,007,800.

In June 2005, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Madrona, Bella Vista and Oak Underground Assessment District) were issued in the amount of \$2,008,413, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 2.25% to 5.00%. The bonds were issued in denominations of \$5,000 or any

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

integral multiple thereof, except for one bond in an odd amount due on September 2, 2006. Interest on the bonds become payable commencing on March 2, 2006, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$40,156 from the bond proceeds. The reserve fund is allowed to grow through interest earnings. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	\$ 50,000	\$ 75,833	\$ 125,833
2017	50,000	73,758	123,758
2018	55,000	71,525	126,525
2019	55,000	69,133	124,133
2020	60,000	66,573	126,573
2021-2025	325,000	289,549	614,549
2026-2030	390,000	203,985	593,985
2031-2033	500,000	93,750	593,750
2036	115,000	2,875	117,875
	<u>\$ 1,600,000</u>	<u>\$ 946,981</u>	<u>\$ 2,546,981</u>

San Rafael Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$1,333,279. Full cash payment was received by five of the property owners and partial cash payment was received by one of the property owners to offset \$143,279 in aggregate confirmed assessments, leaving a balance of \$1,190,000.

In May 2007, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, San Rafael Avenue Underground Assessment District) were issued in the amount of \$1,043,797, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 3.75% to 5.00%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2008. Interest on the bonds become payable commencing on March 2, 2008, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$20,875 from the bond proceeds. The reserve fund is allowed to grow through interest earnings. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

As of June 30, 2015, future debt service payments were as follows:

Fiscal year ended June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 25,000	\$ 42,706	\$ 67,706
2017	25,000	41,663	66,663
2018	25,000	40,606	65,606
2019	25,000	39,538	64,538
2020	30,000	38,348	68,348
2021-2025	160,000	171,329	331,329
2026-2030	200,000	130,239	330,239
2031-2035	250,000	76,558	326,558
2036-2038	180,000	14,000	194,000
	<u>\$ 920,000</u>	<u>\$ 594,987</u>	<u>\$ 1,514,987</u>

Lower Belvedere Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$2,621,069. Full cash payment was received by four of the property owners to offset \$98,926 in aggregate confirmed assessments, leaving a balance of \$2,519,270.

In October 2008, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Lower Belvedere Avenue Underground Assessment District) were issued in the amount of \$2,519,270, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 2% to 5.60%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2009. Interest on the bonds became payable commencing March 2, 2009, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$50,385 from the bond proceeds. The reserve fund is allowed to grow through interest earnings. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	\$ 50,000	\$ 118,493	\$ 168,493
2017	50,000	116,431	166,431
2018	55,000	114,131	169,131
2019	55,000	111,586	166,586
2020	60,000	108,780	168,780
2021-2025	340,000	494,333	834,333
2026-2030	450,000	390,463	840,463
2031-2035	585,000	249,798	834,798
2036-2039	590,000	68,320	658,320
	<u>\$ 2,235,000</u>	<u>\$ 1,772,335</u>	<u>\$ 4,007,335</u>

Bayview Avenue/Bella Vista Avenue Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$1,679,250. Full cash payment was received by four of the property owners to offset \$104,283 in aggregate confirmed assessments, leaving a balance of \$1,592,404.

In September 2009, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Bayview Avenue/Bella Vista Avenue Underground Assessment District) were issued in the amount of \$1,592,404, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 2% to 5.75%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2011. Interest on the bonds became payable commencing March 2, 2010, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$31,806 from the bond proceeds. The reserve fund is allowed to grow through interest earnings. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

As of June 30, 2015, future debt service payments were as follows:

Fiscal year ended June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 30,000	\$ 78,003	\$ 108,003
2017	30,000	76,983	106,983
2018	30,000	75,858	105,858
2019	35,000	74,529	109,529
2020	35,000	72,998	107,998
2021-2025	200,000	338,360	538,360
2026-2030	255,000	281,543	536,543
2031-2035	330,000	202,884	532,884
2036-2040	430,000	94,300	524,300
2041	105,000	3,019	108,019
	<u>\$ 1,480,000</u>	<u>\$ 1,298,477</u>	<u>\$ 2,778,477</u>

Mid San Rafael Avenue Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$2,128,482. Full cash payment was received by twelve of the property owners totaling \$267,735; the City contributed \$358,216, and PG&E contributed \$125,000, leaving an assessment balance of \$1,388,067.

In March 2011, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Mid San Rafael Avenue Underground Assessment District) were issued in the amount of \$1,388,067, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 2% to 6.10%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2013. Interest on the bonds became payable commencing March 2, 2012, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$27,923 from the bond proceeds. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	\$ 25,000	\$ 74,023	\$ 99,023
2017	30,000	73,160	103,160
2018	30,000	72,148	102,148
2019	30,000	71,023	101,023
2020	30,000	65,625	95,625
2021-2025	175,000	305,024	480,024
2026-2030	210,000	254,603	464,603
2031-2035	275,000	185,368	460,368
2036-2040	375,000	87,688	462,688
2041	90,000	2,745	92,745
	<u>\$ 1,270,000</u>	<u>\$ 1,191,407</u>	<u>\$ 2,461,407</u>

Pine Avenue Underground Assessment District: This District was formed to finance certain public improvements, including the relocation of utility services (electricity, telephone and cable television) to underground locations and the elimination of all existing utility poles and overhead wires in the same area. The preliminary estimated assessment in the District totaled \$1,384,986. Full cash payment was received by five of the property owners totaling \$169,936; the City contributed \$16,184 for a city owned parcel within the district, leaving an assessment balance of \$1,160,866.

In October 2012, improvement bonds (City of Belvedere Limited Obligation Improvement Bonds, Pine Avenue Underground Assessment District) were issued in the amount of \$1,160,866, representing the unpaid assessments pursuant to the provisions of the Improvement Bond Act of 1915. The bonds bear annual interest ranging from 0.75% to 5.00%. The bonds were issued in denominations of \$5,000 or any integral multiple thereof, except for one bond in an odd amount due on September 2, 2014. Interest on the bonds became payable commencing March 2, 2013, and semi-annually thereafter on each March 2 and September 2 until maturity.

A Special Reserve Fund is required to be established in the initial amount of \$23,217 from the bond proceeds. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The City's liability to advance funds to the Redemption Fund in the event of delinquent installments shall not exceed the balance in the Reserve Fund. The Improvement Fund was established to account for the expenditures for capital improvements. Proceeds from the sale of bonds were deposited into this fund in addition to the prepaid assessments collected. The third fund created was the Redemption Fund, to collect all payments of principal and interest installments on the assessments. Payments of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from this fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

As of June 30, 2015, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2016	\$ 25,000	\$ 47,788	\$ 72,788
2017	25,000	47,506	72,506
2018	25,000	47,144	72,144
2019	25,000	46,675	71,675
2020	25,000	46,100	71,100
2021-2025	135,000	218,533	353,533
2026-2030	165,000	188,786	353,786
2031-2035	205,000	149,116	354,116
2036-2040	255,000	95,684	350,684
2041-2044	255,000	26,360	281,360
	<u>\$ 1,140,000</u>	<u>\$ 913,692</u>	<u>\$ 2,053,692</u>

NOTE 6 - Joint ventures and pools:

Belvedere-Tiburon Library Agency

The Belvedere-Tiburon Library Agency (the "Agency") was established in May 1995 to construct, own, operate, and maintain a new public library, servicing the residents of Belvedere and Tiburon. Each member of the Agency has three (3) representatives on the Library Board which governs the management and financing of its activities and an at large member appointed by the Reed School District. Participating agencies at June 30, 2014 were the Town of Tiburon and the City of Belvedere. The City receives tax receipts, relating to the Belvedere-Tiburon Library, from the County of Marin. The City disburses all of those receipts to the Library (\$600,217 for fiscal 2015), which utilizes the funds for ordinary operations. The financial results of the Agency are not included in the accompanying financial statements because the City does not have oversight authority.

Financial statements for the Belvedere-Tiburon Library Agency can be obtained at 1501 Tiburon Blvd., Tiburon, CA 94920

Condensed audited financial information as of and for the fiscal year ended June 30, 2015 for the Agency is presented below:

Total assets	\$ 7,938,733
Total capital assets	4,715,108
Total deferred outflows	115,611
Total liabilities	(2,179,441)
Total deferred inflows	(214,908)
Net position	5,659,995
Net program expenses	(2,399,860)
Net program revenues	268,153
Total general revenues	2,132,918
Increase in net position	1,211

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

California Joint Powers Insurance Authority

The City of Belvedere is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY ("Authority"). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Comprehensive General and Automotive Liability Coverage: In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Workers' Compensation: In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Property Insurance: The City of Belvedere participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Belvedere property is currently insured according to a schedule of covered property submitted by the City of Belvedere to the Authority. The City of Belvedere currently has all-risk property insurance protection in the amount of \$7,040,375. There is a \$5,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood: The City of Belvedere purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City of Belvedere property currently has earthquake protection in the amount of \$5,669,584. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance: The City of Belvedere purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance: The City of Belvedere further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Belvedere according to a schedule. The City of Belvedere then pays for the insurance. The insurance is arranged by the Authority.

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

County of Marin

The City along with certain other cities entered into joint venture and pooling contracts with the County of Marin to provide dispatch services and a 911 public safety answering point for member cities.

Financial information on the joint ventures and pools can be obtained from the City at:

450 San Rafael Avenue
Belvedere, California 94920

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 - Transfers:

The following schedule summarizes the operating transfers in and out for the fiscal year ended June 30, 2015, followed by the principal purposes of each interfund transfer:

	Transfers in	Transfers out
General Fund:		
Fire Protection	\$ -	\$ 494,602
Equipment Replacement	-	39,921
Capital Improvement	-	412,828
	-	947,351
Fire Protection Fund:		
General Fund	494,602	-
	494,602	-
General Capital Improvements:		
General Fund	412,828	-
Gas Tax	67,711	-
	480,539	-
Non-Major Funds:		
Equipment Replacement	39,921	-
Gas Tax	-	67,711
	39,921	67,711
Totals	\$ 1,015,062	\$ 1,015,062

General Fund to Fire Fund \$494,602 – The revenue received from the Fire Tax is not enough to cover the amount that is paid to the Tiburon Fire Protection District annually for fire services. The year-end transfer is to cover the deficit.

General Fund to Equipment Replacement \$39,921 – The amount of expenditures for equipment in fiscal 2015 will be replaced by a transfer from the General Fund to make the Equipment Replacement Fund balance \$115,000 at year end.

General Fund to Capital Improvement Fund \$412,828 - To cover expenditures for the fiscal year for CIP.

Gas Tax Fund to Capital Improvement Fund \$67,711 - Year end transfer of State of California Fuel Tax revenue to cover eligible Capital Improvement expenditures.

NOTE 8 - Fund Balance:

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

Nonspendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and can commit funds through resolutions.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has the authority to assign funds in Belvedere and can assign funds through the budgetary process.

Unassigned: This category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental Fund Type Definitions

General Fund: The general fund is be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues is the foundation for a special revenue fund. The description of each major special revenue fund is discussed in *Note 1 - Summary of significant accounting policies*.

Capital Projects Fund: Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Based upon the above, the City determined that the Insurance Reserve Fund does not meet the definition of a Special Revenue fund and has been shown as part of the General Fund.

Spending Policy

The City's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available. The City does not have a formal policy for its use of unrestricted fund balance amounts. The City will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City typically uses unassigned general funds to liquidate the liability for compensated absences and to liquidate the net pension liability or net postemployment benefit obligation when necessary.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Investment Earnings

Investment earnings follow the classification of the revenues invested.

Minimum Fund Balance Policy

As adopted in 2007, the City's General Fund Operational Reserve Policy requires that the City maintain 6-months General Fund operating expenses within the General Fund Reserve. At June 30, 2015, the amount in reserve is \$2.3 million. At June 30, 2015, the City did not have this minimum fund balance in unassigned fund balance due to a significant payment to the California Public Employees Retirement System ("CALPERS") for retirement debt in fiscal 2014.

Fund balances classifications at June 30, 2015 were:

	General Fund	Fire Protection Fund	Capital Improvement Fund	Non-Major Other Funds	Total
Nonspendable:					
Prepaid Items	\$ 16,150	\$ -	\$ -	\$ -	\$ 16,150
Total Nonspendable:	16,150	-	-	-	16,150
Restricted:					
Police Safety	77,808	-	-	-	77,808
Street Maintenance	-	-	207,737	100,000	307,737
Gas tax	-	-	-	-	-
Total Restricted:	77,808	-	207,737	100,000	385,545
Assigned:					
Pension Reserve	100,000	-	-	-	100,000
Insurance Reserve	57,592	-	-	-	57,592
Project Design	-	-	208,100	-	208,100
Computer Replacement	-	-	-	15,000	15,000
Total Assigned:	157,592	-	208,100	15,000	380,692
Unassigned:	2,120,184	-	-	-	2,120,184
	\$ 2,371,734	\$ -	\$ 415,837	\$ 115,000	\$ 2,902,571

Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 Restatement

For the fiscal year ended June 30, 2015, the City implemented the provisions of GASB No. 68 and 71 – *Accounting and Financial Reporting for Pensions*. The Governmental activities net position was reduced by \$3,461,982. These reductions reflect the recording of net pension liabilities, deferred inflows of resources and deferred outflows of resources as required under the new GASBs.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 - Pension Plans

A. General Information about the Pension Plans

Plan Descriptions – All qualified employees are eligible to participate in the City’s following cost-sharing multiple employer defined benefit pension plans (Plans):

- City Miscellaneous (Classic) Plan
- City Miscellaneous (PEPRA) Plan
- City Safety Plan

The Plans are administered by the California Public Employees’ Retirement System (“CalPERS”). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payment	monthly for life	monthly for life
Retirement age	50 - 63+	52 - 67+
Monthly benefit, as a % of eligible compensation	1.46%-2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	11.52%	6.25%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payment	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefit, as a % of eligible compensation	2.0% - 2.7%	2.0% - 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	20.08%	11.50%

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

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 both Plans are 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous		Safety	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Contributions - employer	\$136,009	\$13,604	\$122,586	\$8,614
Contributions - employee	82,914	13,676	55,072	8,636

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous (Classic)	\$1,733,728
Miscellaneous (PEPRA)	\$22
Safety	\$1,087,923
Total Net Pension Liability	\$2,821,673

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous		Safety
	Classic	PEPRA	
Proportion - June 30, 2013	.07015%	.0000%	0.02900%
Proportion - June 30, 2014	.08603%	.0000%	0.03714%
Change - Increase(Decrease)	.01588%	.0000%	0.0081%

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended June 30, 2015, the City recognized pension expense of \$328,741. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 280,813	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	16,451	(92,726)
Net differences between projected and actual earnings on plan investments	-	\$ (892,775)
Total	\$ 297,264	\$ (985,501)

\$280,813 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (250,435)
2017	(250,435)
2018	(244,984)
2019	(223,196)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.
- (4) All of the City's plans for miscellaneous and safety, and the District's plan's employed the same assumptions

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (“ALM”) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected 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 as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

– The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous		Safety
	Classic	PEPRA	
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$3,131,362	\$40	\$1,908,025
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$1,733,728	\$22	\$1,087,923
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$573,825	\$8	\$412,194

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 10 - Postemployment Benefits Other Than Pensions:

Plan Description: The City has implemented GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement establishes uniform financial reporting standards for employers providing postemployment benefits. The provisions of this statement are applied on a prospective basis. The City also implemented GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which permits an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates.

The City provides postretirement health care benefits through the PERS Health Plan to all employees who retire from the City on or after attaining age 50 with at least five years of service.

Funding Policy: The City provides these benefits on a pay-as-you-go basis. Currently, eight retirees meet those eligibility requirements. The City pays a portion of the health plan in the amount of \$122 per month for seven of the employees and \$738 per month for one of the employees. Expenditures for postretirement health care benefits are recognized as retirees elect coverage in the health plan. During 2015, the City paid a total of \$17,395 for such postretirement health care benefits on behalf of eight former employees.

Annual OPEB Cost and Net OPEB Obligation: The City’s annual other postemployment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45, as amended by GASB Statement 57, for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the Retiree Health Plan:

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Annual required contribution	\$ 66,560
Interest on net OPEB obligation	3,328
Adjustment to annual required contribution	<u>(2,219)</u>
Annual OPEB cost (expense)	67,669
Contributions made	<u>(17,395)</u>
Increase in net OPEB obligation	50,274
Net OPEB obligation - beginning of year	<u>214,694</u>
Net OPEB obligation - end of year	<u><u>\$ 264,968</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

Fiscal Year Ended	OPEB Annual Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 66,560	25.6%	\$ 163,777
6/30/2014	\$ 67,669	24.8%	\$ 214,694
6/30/2015	\$ 67,669	25.7%	\$ 264,968

Funded Status and Funding Progress: The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Valuation Date	Entry Age Normal Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Liability/ (Excess Assets) [(A)-(B)]	Funded Ratio [(B)/(A)]	Covered Payroll (C)	Actuarial Accrued Liability % of Covered Payroll [(A-B)/C]
7/1/2009	\$ 374,116	\$ -	\$ 374,116	0.0%	\$ 1,866,608	20.043%
7/1/2012	\$ 656,924	\$ -	\$ 656,924	0.0%	\$ 1,859,776	35.323%

Note: Three-year funding progress data will be shown when three years' funding progress data becomes available.

Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55 or 60, based on the subscriber group, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 1994 GAM tables for Males and for Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 7 percent initially, reduced to an ultimate rate of 5 percent after ten years, was used.

Health insurance premiums – 2012 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate – The expected long-term inflation assumption of 5 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (“CPI-W”) in *The 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City’s short-term investment portfolio, a discount rate of 4 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was thirty years.

NOTE 11 - Excess of expenditures over appropriations:

For the fiscal year ended June 30, 2015, expenditures exceeded appropriations in the following individual funds:

	Appropriation	Expenditures	Excess
General Fund:			
Non Departmental	\$ 357,343	\$ 401,903	\$ (44,560)

The overage in the Non-Departmental expenditures for FY2014/15 was due to an expenditure of \$55,064 that was approved by the City Council at their February 24, 2015 meeting to fund a proportionate share of the “Yellow Bus Challenge 2.0”. The Council voted to use General Fund reserves for this expenditure.

NOTE 12 - Commitments and contingencies:

The City is subject to litigation arising in the normal course of business. In the opinion of the City’s attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

The City participates in a joint powers agreement through the Marin Emergency Radio Authority (“MERA”) under an operating agreement dated February 1, 1999. MERA was created July 1, 1997 by an agreement between certain public agencies in Marin County to provide a public safety radio system to its members. The members have agreed to assign a portion of their property tax revenues and make annual payments, on a pro rata basis, to cover the costs of debt financing and operating the system.

NOTE 13 - Subsequent events:

The City has evaluated its financial statements for subsequent events after June 30, 2015 through December 21, 2015, the date these financial statements were available to be issued, and no subsequent events have taken place requiring disclosure.



— CITY OF BELVEDERE, CALIFORNIA —

REQUIRED SUPPLEMENTARY INFORMATION

**(PENSION AND OPEB FUNDING AND
BUDGETARY INFORMATION)**

* * * * *

CITY OF BELVEDERE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Plan's Proportionate Share of Net Pension Liability and
Related Ratios as of Measurement Date

	City Miscellaneous Plan		City Safety Plan
	Classic	PEPRA	
	6/30/2014	6/30/2014	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.02786%	0.00000%	0.01748%
Plan's proportionate share of the Net Pension Liability (Asset)	\$ 1,733,728	\$ 22	\$ 1,087,923
Plan's Covered Employee Payroll	\$ 1,240,066	\$ 154,364	\$ 700,977
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	139.81%	0.01%	155.20%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.54%	83.46%	82.23%

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Contributions

	City Miscellaneous Plan		City Safety Plan
	Classic	PEPRA	Classic
	Fiscal Year 2013-2014	Fiscal Year 2013-2014	Fiscal Year 2013-2014
Contractually required contribution (actuarially determined)	135,109	10,207	134,995
Contributions in relation to the actuarially determined contributions	(627,679)	(10,207)	(496,154)
Contribution deficiency (excess)	(492,570)	-	(361,159)
Covered-employee payroll	1,240,066	154,364	700,977
Contributions as a percentage of covered-employee payroll	50.62%	6.61%	70.78%
Notes to Schedule			
Valuation date:	6/30/2013	6/30/2013	6/30/2013

CITY OF BELVEDERE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Varies by entry age and service
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB

*-Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final- Positive (Negative)
Revenues:				
Property taxes	\$ 4,146,371	\$ 4,146,371	\$ 4,248,498	\$ 102,127
Other taxes	211,000	211,000	115,207	(95,793)
Licenses and permits	426,000	426,000	367,059	(58,941)
Fines and forfeitures	303,000	303,000	368,789	65,789
Use of money/property	17,767	17,767	21,088	3,321
Intergovernmental revenues	23,500	23,500	129,801	106,301
Charges for services	284,700	284,700	311,686	26,986
Franchise fees	163,718	163,718	152,253	(11,465)
Other revenues	149,538	149,538	76,415	(73,123)
Total revenues	5,725,594	5,725,594	5,790,796	65,202
Expenditures				
Current:				
General government	757,994	757,994	753,666	4,328
Public safety:				
Police	1,641,146	1,641,146	1,624,789	16,357
Fire	-	-	-	-
Planning and development	1,177,153	1,177,153	1,029,395	147,758
Public works	819,787	819,787	769,864	49,923
Recreation (The Ranch)	75,350	75,350	70,380	4,970
Non Departmental	357,343	357,343	401,903	(44,560)
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	4,828,773	4,828,773	4,649,997	178,776
Excess of revenues over (under) expenditures	896,821	896,821	1,140,799	243,978
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	(962,025)	(962,025)	(947,351)	14,674
Total other financing sources (uses)	(962,025)	(962,025)	(947,351)	14,674
Excess of revenues and other sources over (under) expenditures and other uses	(65,204)	(65,204)	193,448	258,652
Fund balances-beginning	2,819,012	2,819,012	2,178,284	(640,728)
Fund balances-ending	\$ 2,753,808	\$ 2,753,808	\$ 2,371,734	\$ (382,076)

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final- Positive
				(Negative)
Revenues:				
Property taxes	\$ 755,072	\$ 755,072	\$ 745,338	\$ (9,734)
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	755,072	755,072	745,338	(9,734)
Expenditures				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	1,215,875	1,215,875	1,239,940	(24,065)
Planning and development	-	-	-	-
Public works	-	-	-	-
Community center	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,215,875	1,215,875	1,239,940	(24,065)
Excess of revenues over (under) expenditures	(460,803)	(460,803)	(494,602)	(33,799)
Other financing sources (uses):				
Transfers from other funds	460,803	460,803	494,602	33,799
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	460,803	460,803	494,602	33,799
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

CITY OF BELVEDERE

REQUIRED SUPPLEMENTARY INFORMATION - OPEB
SCHEDULE OF FUNDING PROCESS FOR THE RETIREE HEALTH PLAN- UNAUDITED

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability (A)</u>	<u>Actuarial Value of Assets (B)</u>	<u>Unfunded Liability/ (Excess Assets) [(A)-(B)]</u>	<u>Funded Ratio [(B)/(A)]</u>	<u>Covered Payroll (C)</u>	<u>Actuarial Accrued Liability % of Covered Payroll [(A-B)/C]</u>
7/1/2009	\$ 374,116	\$ -	\$ 374,116	0.0%	\$ 1,866,608	20.043%
7/1/2012	\$ 656,924	\$ -	\$ 656,924	0.0%	\$ 1,859,776	35.323%

Note: Three-year funding progress data will be shown when three years' funding progress data becomes available.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - Budgets and budgetary accounting:

The City operates under the general laws of the State of California ("State") and annually adopts a budget to be effective July 1 of the ensuing fiscal year. The City adopts an annual budget for General, Special Revenue and Capital Projects Funds. The legal level of budgetary control has been established at the fund level. Budgets are subject to a public hearing before they are adopted by the City Council. Budgets are prepared on the cash basis and are not materially different from budgets prepared under accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund does not include other funds combined with the General Fund for financial statement purposes. Budgetary comparison schedules for these funds have been included with the nonmajor budgetary comparison schedules as appropriate.

All annual appropriations lapse at fiscal year-end. Budgets submitted to the City Council include both proposed appropriations and the means of financing them. The City Council approves total appropriations on a fund-by-fund basis.

The City Manager is authorized to transfer budget appropriations within the same fund in conformance with the adopted policies set by the City Council. Additional appropriations or interfund transfers not included in the original budget resolutions require approval by the City Council. Budgeted amounts shown reflect the annual operating budget as originally passed and include an additional appropriation for equipment replacement made in mid-year. Encumbrance accounting, a method of recording purchase commitments, is not used by the City.



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS

COMBINING FINANCIAL STATEMENTS

* * * * *

CITY OF BELVEDERE
COMBINING BALANCE SHEETS
GENERAL FUNDS
JUNE 30, 2015

	GENERAL FUND	SLESF FUND	INSURANCE RESERVE FUND	TOTAL GENERAL FUNDS
ASSETS:				
Cash and investments	\$ 2,451,322	\$ 77,749	\$ 57,592	\$ 2,586,663
Accounts receivable, net	69,209	59	-	69,268
Prepaid items and other current assets	16,150	-	-	16,150
Total assets	\$ 2,536,681	\$ 77,808	\$ 57,592	\$ 2,672,081
LIABILITIES:				
Accounts payable and other liabilities	\$ 140,066	\$ -	\$ -	\$ 140,066
Refundable deposits	160,281	-	-	160,281
Total liabilities	300,347	-	-	300,347
FUND BALANCES:				
Nonspendable	16,150	-	-	16,150
Restricted	-	77,808	-	77,808
Assigned	100,000	-	57,592	157,592
Unassigned	2,120,184	-	-	2,120,184
Total fund balances	2,236,334	77,808	57,592	2,371,734
Total liabilities and fund balances	\$ 2,536,681	\$ 77,808	\$ 57,592	\$ 2,672,081

CITY OF BELVEDERE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SLESF FUND	INSURANCE RESERVE FUND	TOTAL GENERAL FUND
Revenues:				
Property taxes	\$ 4,248,499	\$ -	\$ -	\$ 4,248,499
Other taxes	115,208	-	-	115,208
Licenses and permits	367,059	-	-	367,059
Fines and forfeitures	368,789	-	-	368,789
Use of money/property	20,894	194	-	21,088
Intergovernmental revenues	22,820	106,981	-	129,801
Charges for services	311,686	-	-	311,686
Franchise fees	152,253	-	-	152,253
Other revenues	76,415	-	-	76,415
Total revenues	5,683,623	107,175	-	5,790,798
Expenditures:				
Current:				
General government	752,419	-	1,247	753,666
Public safety:				
Police	1,624,789	-	-	1,624,789
Fire	-	-	-	-
Planning & development	1,029,395	-	-	1,029,395
Public works	769,864	-	-	769,864
Recreation (The Ranch)	70,380	-	-	70,380
Non-Departmental	401,903	-	-	401,903
Total expenditures	4,648,750	-	1,247	4,649,997
Revenues over (under) expenditures	1,034,873	107,175	(1,247)	1,140,801
Other financing sources (uses):				
Transfers from other funds	90,689	(90,689)	-	-
Transfers to other funds	(947,351)	-	-	(947,351)
Total other financing sources (uses)	(856,662)	(90,689)	-	(947,351)
Net change in fund balance	178,211	16,486	(1,247)	193,450
Fund balances, beginning of year	2,058,123	61,322	58,839	2,178,284
Fund balances, end of year	<u>\$ 2,236,334</u>	<u>\$ 77,808</u>	<u>\$ 57,592</u>	<u>\$ 2,371,734</u>

CITY OF BELVEDERE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Equipment Replacement Fund	Total Nonmajor Governmental Funds
ASSETS:			
Cash and investments	\$ (6,813)	\$ 116,439	\$ 109,626
Accounts receivable, net	10,074	463	10,537
Total assets	\$ 3,261	\$ 116,902	\$ 120,163
LIABILITIES:			
Accounts payable and other liabilities	\$ 3,261	\$ 1,902	\$ 5,163
Total liabilities	3,261	1,902	5,163
FUND BALANCES:			
Restricted	-	100,000	100,000
Assigned	-	15,000	15,000
Total fund equity	-	115,000	115,000
Total liabilities and fund equity	\$ 3,261	\$ 116,902	\$ 120,163

CITY OF BELVEDERE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Equipment Replacement Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental revenues	\$ 667,928	\$ -	\$ 667,928
Other revenues	-	11,730	11,730
Total revenues	667,928	11,730	679,658
Expenditures:			
Current:			
Library	600,217	-	600,217
Capital outlay	-	51,651	51,651
Total expenditures	600,217	51,651	651,868
Revenues over (under) expenditures	67,711	(39,921)	27,790
Other financing sources (uses):			
Transfers from other funds	-	39,921	39,921
Transfers to other funds	(67,711)	-	(67,711)
Total other financing sources (uses)	(67,711)	39,921	(27,790)
Net change in fund balance	-	-	-
Fund balances, beginning of year	-	115,000	115,000
Fund balances, end of year	\$ -	\$ 115,000	\$ 115,000

CITY OF BELVEDERE
COMBINING BALANCE SHEETS
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>LIBRARY FUND</u>	<u>GAS TAX FUND</u>	<u>TOTAL OTHER SPECIAL REVENUE FUNDS</u>
<u>ASSETS:</u>			
Cash and investments	\$ -	\$ (6,813)	\$ (6,813)
Accounts receivable, net	3,261	6,813	10,074
Total assets	\$ 3,261	\$ -	\$ 3,261
<u>LIABILITIES:</u>			
Accounts payable and other liabilities	\$ 3,261	\$ -	\$ 3,261
Total liabilities	3,261	-	3,261
<u>FUND BALANCES:</u>			
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 3,261	\$ -	\$ 3,261

CITY OF BELVEDERE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>LIBRARY FUND</u>	<u>GAS TAX FUND</u>	<u>TOTAL OTHER SPECIAL REVENUE FUNDS</u>
Revenues:			
Intergovernmental revenues	\$ 600,217	\$ 67,711	\$ 667,928
Total revenues	<u>600,217</u>	<u>67,711</u>	<u>667,928</u>
Expenditures:			
Library	600,217	-	600,217
Total expenditures	<u>600,217</u>	<u>-</u>	<u>600,217</u>
Revenues over (under) expenditures	<u>-</u>	<u>67,711</u>	<u>67,711</u>
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	-	(67,711)	(67,711)
Total other financing sources (uses)	<u>-</u>	<u>(67,711)</u>	<u>(67,711)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS

COMBINING FINANCIAL STATEMENTS

* * * * *

CITY OF BELVEDERE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2015

	<u>Corinthian</u>	<u>Upper Beach</u>	<u>Madrona</u>	<u>San Rafael</u>	<u>Lwr Beach</u>	<u>Bayview</u>	<u>Mid San Raf</u>	<u>Pine Avenue</u>	<u>Combined</u>
ASSETS:									
Cash and investments:									
Redemption Fund	\$ 22,203	\$ 99,915	\$ 94,816	\$ 45,640	\$ 111,312	\$ 74,171	\$ 52,160	\$ 48,492	\$ 548,709
Reserve Fund	42,000	32,872	47,741	20,876	52,589	32,503	28,295	23,384	280,260
	64,203	132,787	142,557	66,516	163,901	106,674	80,455	71,876	828,969
Interest receivable	45	768	1,075	594	1,423	922	797	625	6,249
Total assets	\$ 64,248	\$ 133,555	\$ 143,632	\$ 67,110	\$ 165,324	\$ 107,596	\$ 81,252	\$ 72,501	\$ 835,218
LIABILITIES:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to special assessment districts	64,248	133,555	143,632	67,110	165,324	107,596	81,252	72,501	835,218
Total liabilities	\$ 64,248	\$ 133,555	\$ 143,632	\$ 67,110	\$ 165,324	\$ 107,596	\$ 81,252	\$ 72,501	\$ 835,218

CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<hr/> Corinthian Island Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 56,283	\$ 182	\$ (34,262)	\$ 22,203
Reserve Fund	42,000	-	-	42,000
Interest receivable	348	45	(348)	45
Total assets:	<u>\$ 98,631</u>	<u>\$ 227</u>	<u>\$ (34,610)</u>	<u>\$ 64,248</u>
Liabilities:				
Accounts payable	\$ -	\$ 34,262	\$ (34,262)	\$ -
Due to special assessment districts	98,631	(121)	(34,262)	64,248
Total liabilities	<u>\$ 98,631</u>	<u>\$ 34,141</u>	<u>\$ (68,524)</u>	<u>\$ 64,248</u>
<hr/> Upper Beach Road Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 99,870	\$ 90,116	\$ (90,071)	\$ 99,915
Reserve Fund	32,787	85	-	32,872
Interest receivable	802	768	(802)	768
Total assets:	<u>\$ 133,459</u>	<u>\$ 90,969</u>	<u>\$ (90,873)</u>	<u>\$ 133,555</u>
Liabilities:				
Accounts payable	\$ -	\$ 90,071	\$ (90,071)	\$ -
Due to special assessment districts	133,459	90,167	(90,071)	133,555
Total liabilities	<u>\$ 133,459</u>	<u>\$ 180,238</u>	<u>\$ (180,142)</u>	<u>\$ 133,555</u>
<hr/> Madrona, Bella Vista and Oak Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 92,384	\$ 130,134	\$ (127,702)	\$ 94,816
Reserve Fund	47,618	123	-	47,741
Interest receivable	1,091	1,075	(1,091)	1,075
Total assets:	<u>\$ 141,093</u>	<u>\$ 131,332</u>	<u>\$ (128,793)</u>	<u>\$ 143,632</u>
Liabilities:				
Accounts payable	\$ -	\$ 127,702	\$ (127,702)	\$ -
Due to special assessment districts	141,093	130,241	(127,702)	143,632
Total liabilities	<u>\$ 141,093</u>	<u>\$ 257,943</u>	<u>\$ (255,404)</u>	<u>\$ 143,632</u>

continued
next page

CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
<hr/> San Rafael Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 40,933	\$ 72,960	\$ (68,253)	\$ 45,640
Reserve Fund	20,876	-	-	20,876
Interest receivable	581	594	(581)	594
Total assets:	<u>\$ 62,390</u>	<u>\$ 73,554</u>	<u>\$ (68,834)</u>	<u>\$ 67,110</u>
Liabilities:				
Accounts payable	\$ -	\$ 68,253	\$ (68,253)	\$ -
Due to special assessment districts	62,390	72,973	(68,253)	67,110
Total liabilities	<u>\$ 62,390</u>	<u>\$ 141,226</u>	<u>\$ (136,506)</u>	<u>\$ 67,110</u>
<hr/> Lower Belvedere Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 112,257	\$ 174,636	\$ (175,581)	\$ 111,312
Reserve Fund	52,453	136	-	52,589
Interest receivable	1,499	1,423	(1,499)	1,423
Total assets:	<u>\$ 166,209</u>	<u>\$ 176,195</u>	<u>\$ (177,080)</u>	<u>\$ 165,324</u>
Liabilities:				
Accounts payable	\$ -	\$ 175,581	\$ (175,581)	\$ -
Due to special assessment districts	166,209	174,696	(175,581)	165,324
Total liabilities	<u>\$ 166,209</u>	<u>\$ 350,277</u>	<u>\$ (351,162)</u>	<u>\$ 165,324</u>
<hr/> Bayview/Bella Vista Avenues Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 74,770	\$ 113,066	\$ (113,665)	\$ 74,171
Reserve Fund	32,419	84	-	32,503
Interest receivable	968	922	(968)	922
Total assets:	<u>\$ 108,157</u>	<u>\$ 114,072</u>	<u>\$ (114,633)</u>	<u>\$ 107,596</u>
Liabilities:				
Accounts payable	\$ -	\$ 113,665	\$ (113,665)	\$ -
Due to special assessment districts	108,157	113,104	(113,665)	107,596
Total liabilities	<u>\$ 108,157</u>	<u>\$ 226,769</u>	<u>\$ (227,330)</u>	<u>\$ 107,596</u>

continued
next page

CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<hr/>				
Mid San Rafael Avenue Assessment District				
Assets:				
Cash and investments:				
Redemption Fund	\$ 53,639	\$ 98,746	\$ (100,225)	\$ 52,160
Reserve Fund	28,222	73	-	28,295
Interest receivable	607	797	(607)	797
Total assets:	<u>\$ 82,468</u>	<u>\$ 99,616</u>	<u>\$ (100,832)</u>	<u>\$ 81,252</u>
Liabilities:				
Accounts Payable	\$ -	\$ 100,225	\$ (100,225)	\$ -
Due to special assessment districts	82,468	99,009	(100,225)	81,252
Total liabilities	<u>\$ 82,468</u>	<u>\$ 199,234</u>	<u>\$ (200,450)</u>	<u>\$ 81,252</u>
<hr/>				
Pine Avenue Assessment District				
Assets:				
Cash and investments:				
Redemption Fund	\$ 44,579	\$ 76,716	\$ (72,803)	\$ 48,492
Reserve Fund	23,324	60	-	23,384
Interest receivable	618	625	(618)	625
Total assets:	<u>\$ 68,521</u>	<u>\$ 77,401</u>	<u>\$ (73,421)</u>	<u>\$ 72,501</u>
Liabilities:				
Accounts Payable	\$ -	\$ 72,803	\$ (72,803)	\$ -
Due to special assessment districts	68,521	76,783	(72,803)	72,501
Total liabilities	<u>\$ 68,521</u>	<u>\$ 149,586</u>	<u>\$ (145,606)</u>	<u>\$ 72,501</u>
<hr/>				
Total Agency Funds				
Assets:				
Cash and investments:				
Redemption Fund	\$ 574,715	\$ 756,556	\$ (782,562)	\$ 548,709
Reserve Fund	279,699	561	-	280,260
Interest receivable	6,514	6,249	(6,514)	6,249
Total assets:	<u>\$ 860,928</u>	<u>\$ 763,366</u>	<u>\$ (789,076)</u>	<u>\$ 835,218</u>
Liabilities:				
Accounts Payable	\$ -	\$ 782,562	\$ (782,562)	\$ -
Due to special assessment districts	860,928	756,852	(782,562)	835,218
Total liabilities	<u>\$ 860,928</u>	<u>\$ 1,539,414</u>	<u>\$ (1,565,124)</u>	<u>\$ 835,218</u>



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

* * * * *

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
INSURANCE RESERVE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	10,000	10,000	1,247	8,753
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning & development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,000	10,000	1,247	8,753
Excess of revenues over (under) expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(1,247)</u>	<u>8,753</u>
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(10,000)	(10,000)	(1,247)	8,753
Fund balances-beginning	<u>57,212</u>	<u>57,212</u>	<u>58,839</u>	<u>1,627</u>
Fund balances-ending	<u>\$ 47,212</u>	<u>\$ 47,212</u>	<u>\$ 57,592</u>	<u>\$ 10,380</u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final- Positive
				(Negative)
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	22,874	22,874	22,874	-
Intergovernmental revenues	54,633	54,633	43,684	(10,949)
Charges for services	175,000	175,000	161,069	(13,931)
Franchise fees	-	-	-	-
Other revenues	50,000	50,000	31,840	(18,160)
Total revenues	302,507	302,507	259,467	(43,040)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning & development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	-	-
Library	-	-	-	-
Capital outlay	930,751	930,751	661,863	268,888
Total expenditures	930,751	930,751	661,863	268,888
Excess of revenues over (under) expenditures	(628,244)	(628,244)	(402,396)	225,848
Other financing sources (uses):				
Transfers from other funds	409,388	409,388	480,540	71,152
Transfers to other funds	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	409,388	409,388	480,540	71,152
Excess of revenues and other sources over (under) expenditures and other uses	(218,856)	(218,856)	78,144	297,000
Fund balances-beginning	292,117	292,117	352,960	60,843
Fund balances-ending	<u>\$ 73,261</u>	<u>\$ 73,261</u>	<u>\$ 431,104</u>	<u>\$ 357,843</u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	6,000	6,000	11,730	5,730
Total revenues	6,000	6,000	11,730	5,730
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning and development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	-	-
Library	-	-	-	-
Capital outlay	57,835	57,835	51,651	6,184
Total expenditures	57,835	57,835	51,651	6,184
Excess of revenues over (under) expenditures	(51,835)	(51,835)	(39,921)	11,914
Other financing sources (uses):				
Transfers from other funds	51,835	51,835	39,921	(11,914)
Transfers to other funds	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	51,835	51,835	39,921	(11,914)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances-beginning	115,000	115,000	115,000	-
Fund balances-ending	\$ 115,000	\$ 115,000	\$ 115,000	\$ -

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final- Positive (Negative)
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	-	-	600,217	600,217
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	600,217	600,217
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning and development	-	-	-	-
Public works	-	-	-	-
Community center	-	-	-	-
Library	-	-	600,217	(600,217)
Capital outlay	-	-	-	-
Total expenditures	-	-	600,217	(600,217)
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GAS TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	60,000	60,000	67,711	7,711
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	60,000	60,000	67,711	7,711
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning and development	-	-	-	-
Public works	-	-	-	-
Community center	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	60,000	60,000	67,711	7,711
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	(60,000)	(60,000)	(67,711)	7,711
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	(60,000)	(60,000)	(67,711)	(7,711)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -



— CITY OF BELVEDERE, CALIFORNIA —

STATISTICAL

SECTION

* * * * *

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	86
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</i>	92
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	98
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	99
Operating Information <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</i>	101

City of Belvedere
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231	\$ 6,477,485	\$ 5,706,425	\$ 5,463,346	\$ 5,007,173	\$ 4,153,529	\$ 3,262,770	\$ 3,046,918
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>2,427,029</u>	<u>2,228,375</u>	<u>2,748,028</u>	<u>3,434,876</u>	<u>4,479,437</u>	<u>5,287,697</u>	<u>5,587,825</u>	<u>6,368,744</u>	<u>6,137,101</u>	<u>4,976,151</u>
Total governmental activities net position	<u>\$ 8,850,820</u>	<u>\$ 8,519,062</u>	<u>\$ 9,139,259</u>	<u>\$ 9,912,361</u>	<u>\$ 10,185,862</u>	<u>\$ 10,751,043</u>	<u>\$ 10,594,998</u>	<u>\$ 10,522,273</u>	<u>\$ 9,399,871</u>	<u>\$ 8,023,069</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net investment in capital assets	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231	\$ 6,477,485	\$ 5,706,425	\$ 5,463,346	\$ 5,007,173	\$ 4,153,529	\$ 3,262,770	\$ 3,046,918
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>2,427,029</u>	<u>2,228,375</u>	<u>2,748,028</u>	<u>3,434,876</u>	<u>4,479,437</u>	<u>5,287,697</u>	<u>5,587,825</u>	<u>6,368,744</u>	<u>6,137,101</u>	<u>4,976,151</u>
Total primary government net position	<u>\$ 8,850,820</u>	<u>\$ 8,519,062</u>	<u>\$ 9,139,259</u>	<u>\$ 9,912,361</u>	<u>\$ 10,185,862</u>	<u>\$ 10,751,043</u>	<u>\$ 10,594,998</u>	<u>\$ 10,522,273</u>	<u>\$ 9,399,871</u>	<u>\$ 8,023,069</u>

Source: City Finance Department

City of Belvedere
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 1,193,526	\$ 1,028,858	\$ 1,238,851	\$ 1,172,786	\$ 898,233	\$ 792,680	\$ 819,409	\$ 761,977	\$ 703,800	\$ 665,671
Public safety	2,957,115	3,148,198	2,934,211	2,780,923	2,702,610	2,676,539	2,436,063	2,200,074	2,066,508	1,984,241
Planning and development	1,082,995	1,565,998	1,578,591	1,456,839	1,481,116	1,511,119	1,447,646	1,149,621	1,043,117	1,043,030
Public works	916,263	1,083,090	873,508	862,370	921,415	902,579	901,726	878,056	838,098	812,426
Community Center	99,253	74,807	346,405	45,443	42,233	37,561	58,879	36,070	37,218	41,986
Library	600,217	596,645	545,294	533,126	528,273	520,894	523,063	564,677	429,790	444,385
Unallocated depreciation expense	294,135	273,435	261,668	231,431	193,232	157,913	136,615	102,282	59,232	50,630
Total governmental activities expenses	<u>7,143,504</u>	<u>7,771,031</u>	<u>7,778,528</u>	<u>7,082,918</u>	<u>6,767,112</u>	<u>6,599,285</u>	<u>6,323,401</u>	<u>5,692,757</u>	<u>5,177,763</u>	<u>5,042,369</u>
Business-type activities:										
Sewer	-	-	-	-	-	-	-	-	-	224,259
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,259</u>
Total primary government expenses	<u>\$ 7,143,504</u>	<u>\$ 7,771,031</u>	<u>\$ 7,778,528</u>	<u>\$ 7,082,918</u>	<u>\$ 6,767,112</u>	<u>\$ 6,599,285</u>	<u>\$ 6,323,401</u>	<u>\$ 5,692,757</u>	<u>\$ 5,177,763</u>	<u>\$ 5,266,628</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189	\$ 29,273	\$ 39,661	\$ 110,857
Public safety	53,245	19,933	11,822	17,265	21,889	29,300	24,483	16,428	110	12,349
Planning and development	981,766	572,953	725,821	912,270	521,575	881,464	607,349	662,362	839,950	835,242
Public works	160,412	234,795	269,865	245,991	175,804	231,576	218,778	288,641	288,712	234,790
Community Center	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Unallocated depreciation expense	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	80,822
Total governmental activities program revenues	<u>1,207,946</u>	<u>856,429</u>	<u>1,030,609</u>	<u>1,208,548</u>	<u>741,204</u>	<u>1,164,943</u>	<u>868,799</u>	<u>996,704</u>	<u>1,168,433</u>	<u>1,274,060</u>
Business-type activities:										
Charges for services:										
Sewer	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 1,207,946</u>	<u>\$ 856,429</u>	<u>\$ 1,030,609</u>	<u>\$ 1,208,548</u>	<u>\$ 741,204</u>	<u>\$ 1,164,943</u>	<u>\$ 868,799</u>	<u>\$ 996,704</u>	<u>\$ 1,168,433</u>	<u>\$ 1,274,060</u>

City of Belvedere
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue										
Governmental activities	\$ (5,935,558)	\$ (6,914,602)	\$ (6,747,919)	\$ (5,874,370)	\$ (6,025,908)	\$ (5,434,342)	\$ (5,454,602)	\$ (4,696,053)	\$ (4,009,330)	\$ (3,768,309)
Business-type activities	-	-	-	-	-	-	-	-	-	(224,259)
Total primary government net expense	<u>\$ (5,935,558)</u>	<u>\$ (6,914,602)</u>	<u>\$ (6,747,919)</u>	<u>\$ (5,874,370)</u>	<u>\$ (6,025,908)</u>	<u>\$ (5,434,342)</u>	<u>\$ (5,454,602)</u>	<u>\$ (4,696,053)</u>	<u>\$ (4,009,330)</u>	<u>\$ (3,992,568)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805	\$ 3,680,706	\$ 3,602,729	\$ 3,719,284	\$ 3,562,944	\$ 3,505,396	\$ 3,024,281	\$ 2,970,678
Other taxes	115,208	199,457	247,757	850,245	791,767	779,662	786,786	771,346	724,351	636,111
Use of money/property	44,630	42,091	54,201	61,607	67,407	74,202	137,425	238,191	234,909	199,783
Intergovernmental revenues	841,403	885,324	825,388	808,829	746,210	739,425	749,506	1,138,158	842,618	717,065
Franchise fees	152,253	158,671	169,881	128,336	123,028	113,265	116,977	110,501	110,850	104,860
Other	119,985	150,689	68,561	71,146	43,798	55,045	53,099	54,763	394,540	106,102
Transfers	-	-	107,224	-	83,788	111,504	120,690	-	54,582	(236,820)
Total governmental activities	<u>6,267,316</u>	<u>6,294,405</u>	<u>5,974,817</u>	<u>5,600,869</u>	<u>5,458,727</u>	<u>5,592,387</u>	<u>5,527,427</u>	<u>5,818,355</u>	<u>5,386,131</u>	<u>4,497,779</u>
Business-type activities:										
Use of money/property	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	236,820
Distribution to Sanitary District No. 5	-	-	-	-	-	-	-	-	-	(1,155,552)
Total business-type activities	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">(918,732)</u>
Total primary government	<u>\$ 6,267,316</u>	<u>\$ 6,294,405</u>	<u>\$ 5,974,817</u>	<u>\$ 5,600,869</u>	<u>\$ 5,458,727</u>	<u>\$ 5,592,387</u>	<u>\$ 5,527,427</u>	<u>\$ 5,818,355</u>	<u>\$ 5,386,131</u>	<u>\$ 3,579,047</u>
Change in Net Position										
Governmental activities	\$ 331,758	\$ (620,197)	\$ (773,102)	\$ (273,501)	\$ (567,181)	\$ 158,045	\$ 72,825	\$ 1,122,302	\$ 1,376,801	\$ 729,470
Business-type activities	-	-	-	-	-	-	-	-	-	(1,142,991)
Total primary government	<u>\$ 331,758</u>	<u>\$ (620,197)</u>	<u>\$ (773,102)</u>	<u>\$ (273,501)</u>	<u>\$ (567,181)</u>	<u>\$ 158,045</u>	<u>\$ 72,825</u>	<u>\$ 1,122,302</u>	<u>\$ 1,376,801</u>	<u>\$ (413,521)</u>

Source: City Finance Department

City of Belvedere
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	Program Revenues									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function/Program										
Governmental activities:										
General government	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189	\$ 29,273	\$ 39,661	\$ 110,857
Public safety	53,245	19,933	11,822	17,265	21,889	29,300	24,483	16,428	110	12,349
Planning and development	981,766	572,953	725,821	912,270	521,575	881,464	607,349	662,362	839,950	835,242
Public works	160,412	234,795	269,865	245,991	175,804	231,576	218,778	288,641	288,712	234,790
Other	-	-	-	-	-	-	-	-	-	80,822
Subtotal governmental activities	<u>1,207,946</u>	<u>856,429</u>	<u>1,030,609</u>	<u>1,208,548</u>	<u>741,204</u>	<u>1,164,943</u>	<u>868,799</u>	<u>996,704</u>	<u>1,168,433</u>	<u>1,274,060</u>
Business-type activities:										
Sewer	-	-	-	-	-	-	-	-	-	-
Subtotal business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,207,946</u>	<u>\$ 856,429</u>	<u>\$ 1,030,609</u>	<u>\$ 1,208,548</u>	<u>\$ 741,204</u>	<u>\$ 1,164,943</u>	<u>\$ 868,799</u>	<u>\$ 996,704</u>	<u>\$ 1,168,433</u>	<u>\$ 1,274,060</u>

Source: City Finance Department

City of Belvedere
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Nonspendable	\$ 16,150	\$ 10,476	\$ 9,923	\$ 413,142	\$ 410,817	\$ 414,848	\$ 405,460	\$ 422,350	\$ 426,267	\$ 502,081
Restricted	77,808	61,322	53,831	44,372	50,946	36,644	54,645	57,651	41,855	23,990
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	157,592	58,839	-	-	-	-	-	-	-	-
Unassigned	<u>2,120,184</u>	<u>2,047,647</u>	<u>2,438,174</u>	<u>2,781,071</u>	<u>2,892,358</u>	<u>3,371,344</u>	<u>3,318,988</u>	<u>3,654,167</u>	<u>3,824,392</u>	<u>2,859,373</u>
Total general fund	<u>\$ 2,371,734</u>	<u>\$ 2,178,284</u>	<u>\$ 2,501,928</u>	<u>\$ 3,238,585</u>	<u>\$ 3,354,121</u>	<u>\$ 3,822,836</u>	<u>\$ 3,779,093</u>	<u>\$ 4,134,168</u>	<u>\$ 4,292,514</u>	<u>\$ 3,385,444</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	307,737	402,903	414,209	375,708	812,854	1,170,749	273,621	438,468	440,576	477,135
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	223,100	49,790	170,271	99,370	573,924	533,540	2,554,221	1,960,527	1,541,534	1,246,773
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 530,837</u>	<u>\$ 452,693</u>	<u>\$ 584,480</u>	<u>\$ 475,078</u>	<u>\$ 1,386,778</u>	<u>\$ 1,704,289</u>	<u>\$ 2,827,842</u>	<u>\$ 2,398,961</u>	<u>\$ 1,982,110</u>	<u>\$ 1,723,908</u>

Source: City Finance Department

City of Belvedere
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues										
Property taxes	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805	\$ 3,680,706	\$ 3,602,729	\$ 3,719,284	\$ 3,562,944	\$ 3,505,396	\$ 3,024,281	\$ 2,970,678
Other taxes	115,208	199,457	247,757	850,245	91,767	779,662	786,786	771,346	724,351	636,111
Licenses and permits	367,059	411,600	442,153	409,990	330,151	333,733	335,539	381,750	406,837	485,308
Fines and forfeitures	368,789	22,925	122,770	232,881	23,073	354,942	67,554	64,017	230,112	189,740
Use of money/property	44,630	42,091	54,201	61,607	67,407	74,202	137,425	238,191	234,909	199,783
Intergovernmental	841,403	885,324	825,388	808,829	746,210	739,425	749,506	1,138,158	842,618	797,887
Charges for services	472,098	421,905	465,686	565,677	387,979	476,268	465,705	550,938	531,483	518,189
Franchise fees	152,253	158,671	169,881	128,336	123,028	113,265	116,977	110,501	110,850	104,860
Other revenues	119,985	150,689	68,561	71,146	43,798	55,045	53,099	54,763	394,540	106,102
Total revenues	7,475,262	7,150,835	6,898,202	6,809,417	5,416,142	6,645,826	6,275,535	6,815,060	6,499,981	6,008,658
Expenditures										
General government	1,155,569	967,926	1,182,562	1,141,306	844,598	736,715	752,063	707,121	663,328	623,321
Public safety	2,864,729	3,092,280	2,860,949	2,717,723	2,633,751	2,597,898	2,398,330	2,155,192	2,029,973	1,912,309
Planning and development	1,029,395	1,501,913	1,551,205	1,420,824	1,457,819	1,472,293	1,412,662	1,119,300	1,012,489	1,008,424
Public works	769,864	862,315	756,043	704,076	798,718	773,627	750,275	702,629	711,332	641,491
Community Center	70,380	46,141	317,976	18,294	16,343	12,516	35,564	15,320	14,116	17,293
Library	600,217	596,645	545,294	533,126	528,273	520,894	526,063	564,677	429,790	444,385
Capital outlay	713,514	539,046	418,652	1,301,304	706,654	883,377	1,290,281	1,292,318	528,262	670,814
Total expenditures	7,203,668	7,606,266	7,632,681	7,836,653	6,986,156	6,997,320	7,165,238	6,556,557	5,389,290	5,318,037
Excess of revenues over (under) expenditures	271,594	(455,431)	(734,479)	(1,027,236)	(1,570,014)	(351,494)	(889,703)	258,503	1,110,691	690,621
Other Financing Sources (Uses)										
Transfers in	1,015,062	513,794	717,043	561,178	697,167	805,051	983,932	74,608	1,047,475	867,621
Transfers out	(1,015,062)	(513,794)	(609,819)	(561,178)	(613,379)	(693,547)	(863,241)	(74,608)	(992,893)	(1,104,441)
Total other financing sources (uses)	-	-	107,224	-	83,788	111,504	120,691	-	54,582	(236,820)
Net change in fund balances	\$ 271,594	\$ (455,431)	\$ (627,255)	\$ (1,027,236)	\$ (1,486,226)	\$ (239,990)	\$ (769,012)	\$ 258,503	\$ 1,165,273	\$ 453,801
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: City Finance Department

City of Belvedere

City-Wide Assessed Value and Estimated Actual Value of Taxable Property Last Four Fiscal Years

Fiscal Year End	Residential Property	Commercial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2011-12	1,485,737,622	12,408,533	33,270,375	17,227,702	4,545,789	1,544,098,443	.	1,922,973,878	1.245370
2012-13	1,539,081,839	12,598,426	38,553,566	18,037,450	11,197,876	1,597,073,405	.	2,161,323,521	1.353303
2013-14	1,612,430,131	12,807,652	40,962,436	16,706,550	10,871,256	1,672,035,513	1.1036	2,435,824,679	1.456802
2014-15	1,685,572,954	12,888,797	41,655,595	16,933,816	11,124,656	1,745,926,506	1.0951	3,106,077,788	1.779043

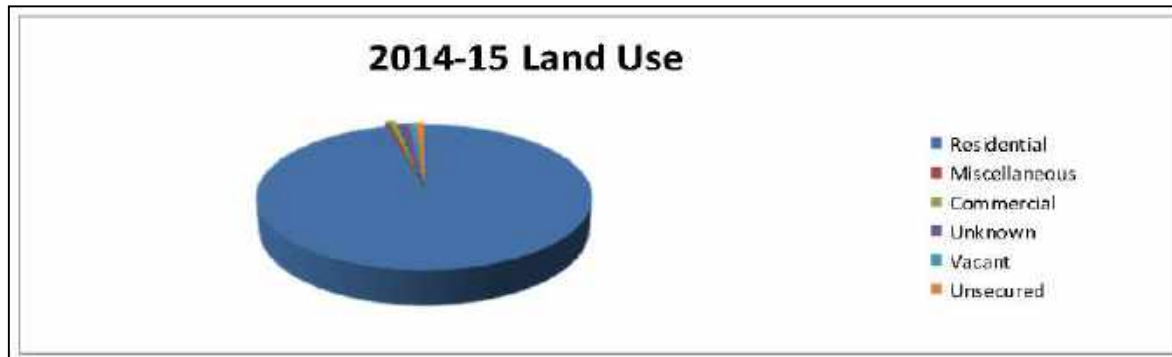
Source: Marin County Assessor data, MuniServices, LLC

- 1.) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 001-000 and rounded.
- 2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

City of Belvedere

Taxable Property by Use Code, City-Wide Last Four Fiscal Years

Category	2011-12	2012-13	2013-14	2014-15
Residential	1,485,737,622	1,539,081,839	1,612,430,131	1,685,572,954
Miscellaneous	1,298,236	7,603,569	7,751,260	7,504,772
Commercial	12,408,533	12,598,426	12,807,652	12,888,797
Unknown	15,042,000	18,757,000	20,231,500	21,117,416
Vacant	16,930,139	12,192,997	12,979,676	13,033,407
Gross Secured Value	1,531,416,530	1,590,233,831	1,666,200,219	1,740,117,346
Unsecured	17,227,702	18,037,450	16,706,550	16,933,816
Less Exemptions	4,545,789	11,197,876	10,871,256	11,124,656
Net Taxable Value	1,544,098,443	1,597,073,405	1,672,035,513	1,745,926,506



Source: Marin County Assessor data, MuniServices, LLC
 Use code categories are based on Marin County Assessor's data

City of Belvedere

Direct and Overlapping Property Tax Rates Last Four Fiscal Years

	2011-12	2012-13	2013-14	2014-15
Basic City and County Levy				
COUNTY GENERAL FUND	0.185000	0.185000	0.185000	0.185000
CITY OF BELVEDERE	0.207000	0.207000	0.207000	0.207000
ALL OTHER COUNTY ENTITIES	0.608000	0.608000	0.608000	0.608000
TOTAL	1.000000	1.000000	1.000000	1.000000
Override Assessments				
TAM UNION HIGH SCH BONDS				
2001 Series	0.011300	0.005100	0.000000	0.000000
2002 Series	0.000000	0.000000	0.000000	0.000000
2004 Series	0.000000	0.000000	0.000000	0.000000
2006 Series	0.017100	0.016700	0.016000	0.014800
2010 Refunding bond	0.012600	0.010200	0.012800	0.011700
MARIN COM COLLEGE	0.017500	0.017800	0.020400	0.018000
REED SCHOOL BONDS 2002	0.024300	0.000000	0.000000	0.000000
REED UNION SCH BONDS 2004	0.017900	0.007100	0.000000	0.000000
REED UNION SCH- 2011 REFUNDING	0.000000	0.029200	0.034000	0.031200
REED UNION SCH- 2012 REFUNDING	0.000000	0.000000	0.006300	0.010700
REED ELEM SCH BD'06	0.014000	0.013400	0.004300	0.000000
TAMALPAIS USHD GO BOND FUND 2011	0.000000	0.005100	0.009800	0.008700
TOTAL	0.114700	0.104600	0.103600	0.095100
TOTAL TAX RATE	1.114700	1.104600	1.103600	1.095100

Source: Marin County Auditor data, MuniServices, LLC
For purposes of this table TRA 01-000 is represented .

City of Belvedere

Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

Taxpayer	2014-15		2005-06	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Belvedere Land Company	39,892,441	2.28%	35,016,920	2.99%
Pampalone Trust	30,089,363	1.72%	0	0.00%
Koogle Timothy A	19,092,526	1.09%	0	0.00%
Winslow Clark J	13,125,000	0.75%	0	0.00%
Settling Ltd.	11,907,000	0.68%	0	0.00%
Drebes Lawrence T Jr	11,733,172	0.67%	10,318,846	0.88%
Faithfort Entrps Inc.	11,313,000	0.65%	0	0.00%
Dillard Family Trust 2003	11,219,698	0.64%	0	0.00%
Trust Agreement Dtd 6 26 63	10,624,346	0.61%	0	0.00%
27 Bellevue Llc	9,543,130	0.55%	0	0.00%
Burillo Javier	9,223,289	0.53%	8,091,600	0.69%
Schneider James A	8,626,779	0.49%	7,593,093	0.65%
Janney Daniel S	8,388,251	0.48%	5,721,748	0.49%
Decker Olivia H	7,248,691	0.42%	0	0.00%
De Somma Leonard B	7,157,200	0.41%	0	0.00%
Kawishiwi Partners Revocable T	6,818,000	0.39%	0	0.00%
Chaffee Todd C	6,779,169	0.39%	0	0.00%
Bogliolo Alessandro	6,726,450	0.39%	0	0.00%
Hyman Zachary Kimberly Revoc T	6,587,500	0.38%	0	0.00%
Brown J M Revoc Trust	6,566,000	0.38%	0	0.00%
Mc Neil Robert A Carole J 2000	6,557,122	0.38%	0	0.00%
Castellucci Antonio Rita Trust	6,527,240	0.37%	0	0.00%
San Francisco Yacht Club	6,448,705	0.37%	0	0.00%
Syman Gary A	6,390,777	0.37%	0	0.00%
Friedman Gerald L	6,300,000	0.36%	5,439,585	0.47%
Abbaszadeh Reza	0	0.00%	5,394,933	0.46%
Carrel David M Tr	0	0.00%	8,256,371	0.71%
Dolch Volker Tr & Mai Tr	0	0.00%	5,593,000	0.48%
Goldberg Fred Tr & Jerrilyn	0	0.00%	6,145,738	0.53%
Herr John A Jr & Maureen F	0	0.00%	5,118,582	0.44%
Ostroff Greg M & Hanna H	0	0.00%	5,741,107	0.49%
Reynolds Michael D Tr & Robin	0	0.00%	5,826,028	0.50%
Richards Albert & Roxanne	0	0.00%	6,470,241	0.55%
Roven Rose W Tr	0	0.00%	5,299,100	0.45%
Skeen John K	0	0.00%	5,535,186	0.47%
Wojcik Richard F	0	0.00%	6,245,938	0.53%
Bella Vista Capital Inc	0	0.00%	5,500,000	0.47%
Dixon William R Jr & Dixon Gay	0	0.00%	7,133,000	0.61%
Hilpert Dale W & Hilpert Sharo	0	0.00%	6,409,735	0.55%
Jacobs Bruce Tr	0	0.00%	5,763,000	0.49%
Mayer Debra A Trust	0	0.00%	6,078,394	0.52%
Novak Art & Suel Trust	0	0.00%	5,735,817	0.49%
Lockshin Steven D Tr	0	0.00%	6,450,000	0.55%
Zaffaroni Elisa	0	0.00%	5,332,050	0.46%
Total Top 25 Taxpayers	274,884,849	15.74%	186,210,012	15.92%
Total Taxable Value	1,745,926,506	100.00%	1,169,349,648	100.00%

Source: Marin County Assessor data, MuniServices, LLC

City of Belvedere

Principal Sales Tax Producers Last Fiscal Year

Taxpayer	Business Type
Agins Interiors	Light Industry
Ally Financial Inc	Business Services
Ann C. Turner	Miscellaneous Retail
Bayside Garden Center	Florist/Nursery
Christian Interiors	Miscellaneous Retail
Christies Inc	Miscellaneous Retail
Corrinne Matthews Wiley	Furniture/Appliance
Cortigilla LLC	Light Industry
Cuthrell & Daughter	Business Services
Gmac Automotive Bank	Leasing
Gwen Price Interiors	Miscellaneous Retail
Hope C. Hopkins	Miscellaneous Retail
Hot Foot America, LLC	Chemical Products
JM Interiors	Miscellaneous Retail
Kara Warrin Design	Miscellaneous Retail
Katherine Ferguson Inter. Desgin	Miscellaneous Retail
Katherine Hill	Miscellaneous Retail
Linda Applewhite & Associates	Business Services
Nancy Freed Interiors	Miscellaneous Retail
R & S Service	Auto Parts/Repair
Smith Bio-Medical, Inc.	Office Equipment
Spindler Textiles	Miscellaneous Retail
St. Stephen's Episcopal Church	Health & Governement
The San Francisco Yacht Club	Miscellaneous Retail
Unusual Things	Department Stores

Source: Q1 14 SBOE data, MuniServices, LLC

City of Belvedere
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		87 Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 2,102,276	\$ 2,102,276	100.00 %	\$ -	\$ 2,102,276	100.00 %
2006	2,314,585	2,314,585	100.00 %	-	2,314,585	100.00 %
2007	2,523,828	2,523,828	100.00 %	-	2,523,828	100.00 %
2008	2,691,297	2,691,297	100.00 %	-	2,691,297	100.00 %
2009	2,885,912	2,885,912	100.00 %	-	2,885,912	100.00 %
2010	3,019,098	3,019,098	100.00 %	-	3,019,098	100.00 %
2011	2,936,875	2,936,875	100.00 %	-	2,936,875	100.00 %
2012	3,006,205	3,006,205	100.00 %	-	3,006,205	100.00 %
2013	3,121,274	3,121,274	100.00 %	-	3,121,274	100.00 %
2014	3,296,437	3,296,437	100.00 %	-	3,296,437	100.00 %
2015	3,448,212	3,448,212	100.00 %	-	3,448,212	100.00 %

Sources: City Finance Department

City of Belvedere

Direct and Overlapping General Fund Debt Last Fiscal Year

2014-15 Assessed Valuation: \$1,749,678,466

	Total Debt		City's Share of
	<u>6/30/2015</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/15</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Marin Community College District	\$218,635,000	2.82%	\$6,161,134
Tamalpais Union High School District	132,610,000	4.797	6,361,302
Reed Union School District	33,535,000	24.618	8,255,646
Belvedere-Tiburon Library Community Facilities District No. 95-1	995,000	28.326	281,844
Marin County Open Space Community Facilities District No. 1993-1	2,722,267	34.103	928,375
Marin County Open Space Community Facilities District No. 1997-1	2,722,267	34.103	928,375
City of Belvedere 1915 Act Bonds	9,640,000	100	<u>9,640,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$32,556,676
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Marin County General Fund Obligations	\$68,906,897	2.81%	\$1,938,351
Marin County Pension Obligation Bonds	103,195,000	2.813	2,902,875
Marin County Transit General Fund Obligations	150,627	2.813	4,237
Marin Municipal Water District General Fund Obligations	122,544	3.606	4,419
Marin Community College District General Fund Obligations	2,600,834	2.818	73,292
City of Belvedere	0	100	0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$4,923,174
 TOTAL DIRECT DEBT			 \$0
TOTAL OVERLAPPING DEBT			\$37,479,850
 COMBINED TOTAL DEBT			 \$37,479,850 (2)

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 1.86%
Total Direct Debt **0.00%**
 Combined Total Debt 2.14%

AB:(\$475)

City of Belvedere

Demographic and Economic Statistics Last Four Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (5)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (4)	County Population (1)
2011-12	2,090	239,074,285	114,390	55.3	5,240	7.0%	8.0%	254,790
2012-13	2,086	242,681,214	116,338	54.0	5,415	6.3%	6.9%	254,007
2013-14	2,094	264,608,310	126,365	55.2	5,616	5.0%	3.9%	255,846
2014-15	2,121	284,498,617	134,134	56.8	5,461	3.3%	3.9%	258,927

Source: MuniServices, LLC, U.S. Census Bureau, 2010 American Community Survey.

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) County Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) City Unemployment Data is provided by the Sperling's BestPlaces.
- 5.) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in the Reed Union Elem & Tamalpais Union High School Districts.

City of Belvedere
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
		87								
General government										
City Manager's Office	2	2	3	3	2	2	2	2	2	2
Finance	1	1	1	1	1	1	1	1	1	1
Planning	4	4	3	4	4	4	3	3	3	3
Public Safety										
Officers	6	6	7	7	7	7	7	6	6	6
Civilians	1	1	1	1	1	1	1	1	1	1
Building Inspection	3	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	-	-	-	-	-	-	-	-	1	1
Public Works	4	4	4	4	4	4	4	4	4	4
Total	<u>21</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>20</u>	<u>21</u>	<u>21</u>

Source: City Finance Department

City of Belvedere
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government										
Building permits issued	267	287	292	281	284	270	258	240	257	239
Building inspections conducted	2,568	2,196	1,869	2,130	1,668	1,573	1,855	1,933	1,813	2,110
Police										
Physical arrests	10	10	18	27	33	26	21	16	14	13
Parking violations	427	232	236	183	155	178	242	227	176	231
Traffic violations	82	98	86	129	136	135	86	60	67	66
Public Works										
Encroachment permits issued	528	584	651	686	546	560	491	820	584	515
Road closures	27	57	160	162	107	119	95	84	84	76
Planning Department										
Applications received	433	420	470	473	411	400	417	624	454	338
Applications approved	339	425	334	363	316	293	305	479	320	262

Source: City Finance Department

City of Belvedere
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	6	6	7	7	7	7	7	6	6	6
Other public works										
Streets (miles)	13	13	13	13	13	13	13	13	13	13
Lanes	17	17	17	17	17	17	17	17	17	17
Storm drain inlets	250	250	250	250	250	250	250	250	250	250
Parks and recreation										
Acreage	2	2	2	2	2	2	2	2	2	2
Playgrounds	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1

Source: City Finance Department



To the City Council
City of Belvedere, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Belvedere (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

OUM + Co. LLP

San Francisco, California
December 21, 2015