



— CITY OF BELVEDERE, CALIFORNIA —

COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH INDEPENDENT AUDITORS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by
Finance Department

CITY OF BELVEDERE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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— 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 6, 2017

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, 2017. 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, 2017 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, 2017, 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 May 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, (80%), is from local property taxes. Current Secured Property Tax revenue increased 10.7% in fiscal year 2017 and is estimated to increase 6% in fiscal year 2018. Currently there are 19 homes for sale in Belvedere with sales prices ranging from \$1.5 to \$17 million and an average list price of \$5.4 million.

Total General Fund revenues in 2017 increased \$501,452 (8%) over the prior fiscal year. This increase was primarily due to an increase in property tax 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 2008 through fiscal year 2017, property taxes increased an average of 5.06% per year.

Long-Term Financial Planning

The City has identified \$5 million in capital projects to be completed over the next five fiscal years. Capital projects included are \$1.5 million for street improvements, \$0.37 million for storm drainage repairs, \$0.40 million for community building upgrades, and \$2.2 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. The General Fund reserve was met at the end of fiscal year 2017 and is anticipated to be met in each of the next five fiscal years as well.

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 Craig Middleton, 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, 2016. This was the fourth 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 black ink that reads "Amber Johnson". The signature is written in a cursive style with a large, prominent initial 'A'.

Amber Johnson
Finance Officer



Belvedere Residents

City Council

James Campbell, Mayor
Marty Winter, Vice Mayor
City Councilors: Claire McAuliffe, Bob McCaskill, Nancy Kemnitzer

City Attorney
Rob Epstein
Deputy City Attorney
Emily Longfellow

City Manager
Craig Middleton

Public Safety

Police Chief
Tricia Seyler

Tiburon Fire Protection District
Contract for Services

Police Secretary
Lylene Phillips

Police Sergeants
Chris Pool,
Tom Marksbury

Police Officers
Andy Rosas, Paul Sims
Charles Wayshak
Michael Blasi

Planning & Building

Director of Planning & Building
Irene Borba

Building Official
Vacant

Building Inspector
Genaro Muniz

Associate Planner
Rebecca Markwick

Department Secretary II
Nancy Miller

Department Secretary II
Lorrie Duffy

Administration

Director of Administrative Services
Becky Eastman

Mgmt Analyst/ City Clerk
Alison Foulis

IT Coordinator
Marin IT

Public Works

Public Works Manager
Robert Zadnik

Maintenance Supervisor
Gerhard Laufer

Maintenance Workers
Max Sandoval
Alberto Carranza

City Engineer
John Moe
Contract for Services

PRINCIPAL OFFICERS

CITY OF BELVEDERE

JUNE 30, 2017

CITY COUNCIL

Mayor	James Campbell
Vice Mayor	Marty Winter
Councilmember	Bob McCaskill
Councilmember	Claire McAuliffe
Councilmember	Nancy Kemnitzer

COUNCIL APPOINTEES

City Manager	Craig Middleton
City Attorney	Robert Epstein
Deputy City Attorney	Emily Longfellow

DEPARTMENT MANAGERS

City Clerk	Alison Foulis
Finance Officer	Becky Eastman
City Planner	Irene Borba
Police Chief	Tricia Seyler
Public Works Manager	Robert Zadnik
Building Official	(vacant)



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, 2016

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, 2017, 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, 2017, 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.

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 59-66 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 6, 2017 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 6, 2017



— 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, 2017. Please read this in conjunction with the City's financial statements, which follow this discussion and analysis.

Government-Wide Highlights

- 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 \$10.9 million; deferred outflows of \$1.5 million; liabilities of \$5.5 million; deferred inflows of \$0.9 million; and net position of \$5.9 million.
- Total City revenues were approximately \$8.4 million (general revenues of \$7.3 million and program revenues of \$1.1 million) compared with total expenses of approximately \$8.2 million resulting in an increase in net position of approximately \$0.2 million for the fiscal year ended June 30, 2017.
- The City's cash and investments totaled \$4.4 million and net capital assets totaled approximately \$6.2 million at June 30, 2017, representing 41% and 57% of the City's total assets, respectively.
- The City's total liabilities totaled approximately \$5.5 million as of June 30, 2017 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 2017, the City's governmental funds reported a combined ending fund balance of approximately \$4.1 million, an increase of \$0.7 million for the year ended June 30, 2017. 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 November 2016, the City was awarded a multi-year grant from the California Department of Water Resources (DWR) to evaluate the coastal levees on San Rafael Avenue and Beach Road, and prepare alternatives analyses and preliminary designs. The grant estimated a total cost of \$1.1 million over a 2.5-year period, with grant funding of 55% or approximately \$611,000.
- In February 2017, the City replaced one fleet vehicle with an all-electric "Smart for Two" vehicle. The cost of the vehicle was partially offset with rebates and grants from the Transportation Authority of Marin (TAM) and the Center for Sustainable Energy.

Budgetary Highlights

- There were slight budget variances between the final amended budget and actual results in the general fund as discussed in Note 11 to the Financial Statements.

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

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 and fire protection). 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 \$5.4 million. A schedule of net position is presented in the following table in thousands:

Net Position					
June 30, 2017 and 2016					
(thousands)					
	Governmental		Total Primary		Total
	Activities		Government		
	2017	2016	2017	2016	Change
Current and other assets	\$ 4,709	\$ 3,716	\$ 4,709	\$ 3,716	27%
Capital assets	6,158	6,338	6,158	6,338	-3%
Total assets	10,867	10,054	10,867	10,054	8%
Deferred outflows related to pension	1,468	796	1,468	796	84%
Total deferred outflows	1,468	796	1,468	796	84%
Current liabilities	592	291	592	291	103%
Noncurrent liabilities	4,917	3,647	4,917	3,647	35%
Total liabilities	5,509	3,938	5,509	3,938	40%
Deferred inflows related to pension	933	1,234	933	1,234	-24%
Total deferred inflows	933	1,234	933	1,234	-24%
Net position:					
Net investment in capital assets	6,158	6,338	6,158	6,338	-3%
Unrestricted	(265)	(660)	(265)	(660)	-60%
Total net position	\$ 5,893	\$ 5,678	\$ 5,893	\$ 5,678	4%

Net investment in capital assets (e.g., land, buildings, equipment and infrastructure) of \$6.2 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, 2017, 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 negative \$0.3 million. Restricted net position represents resources that are subject to external restrictions on how they may be used. At June 30, 2017, the City does not have any restricted assets.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The City's net position increased by approximately \$0.2 million during the current fiscal year and increased by \$0.5 million during the prior fiscal year. The increase in the City's net position is principally from an increase in property tax revenue. Information about changes in net position is summarized in the following table in thousands:

Statement of Activities and Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016 (thousands)

	Governmental Activities		Total Primary Government		Total Percentage Change
	2017	2016	2017	2016	
Revenues:					
Program revenues:					
Charges for services	\$ 1,130	\$ 1,116	\$ 1,130	\$ 1,116	1%
General revenues:					
Taxes	6,050	5,493	6,050	5,493	10%
Franchise and other taxes	163	171	163	171	-5%
Earnings on investment	63	49	63	49	29%
Revenues from other agencies	1,011	872	1,011	872	16%
Other revenue	36	154	36	154	-77%
Total revenues	8,453	7,855	8,453	7,855	8%
Program expenses:					
General government	985	681	985	681	45%
Police	1,839	1,713	1,839	1,713	7%
Fire	1,573	1,533	1,573	1,533	3%
Planning and development	1,155	1,122	1,155	1,122	3%
Public works	879	960	879	960	-8%
Non Departmental	637	371	637	371	72%
Library and community services	790	714	790	714	11%
Unallocated depreciation expense	380	310	380	310	23%
Total program expenses	8,238	7,404	8,238	7,404	11%
Transfers:	-	-	-	-	
Change in net position	215	451	215	451	
Net position, beginning of year	5,678	5,227	5,678	5,227	
Net position, end of year	\$ 5,893	\$ 5,678	\$ 5,893	\$ 5,678	

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

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.

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, 2017 and 2016 (thousands)

	<u>2017</u>			<u>2016</u>		<u>Change</u>
	<u>General Fund</u>	<u>Other Major Funds</u>	<u>Other Funds</u>	<u>Total Gov. Funds</u>	<u>Total Gov. Funds</u>	
Revenues	\$ 6,591	\$ 826	\$ 1,036	\$ 8,453	\$ 7,855	8%
Current expenditures	5,076	1,573	707	7,356	6,840	8%
Capital outlay	-	-	391	391	478	-18%
	<u>5,076</u>	<u>1,573</u>	<u>1,098</u>	<u>7,747</u>	<u>7,318</u>	<u>6%</u>
Net transfers	<u>(789)</u>	<u>747</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>100%</u>
Net change in fund balances	726	-	(20)	706	537	31%
Fund balances, beginning of year	<u>2,924</u>	<u>-</u>	<u>516</u>	<u>3,440</u>	<u>2,903</u>	<u>18%</u>
Fund balances, end of year	<u>\$ 3,650</u>	<u>\$ -</u>	<u>496</u>	<u>\$ 4,146</u>	<u>\$ 3,440</u>	<u>21%</u>

General Fund

General fund revenues of \$6.6 million increased by \$0.5 million from the previous fiscal year, primarily due to an increase in property taxes. General fund expenditures of \$5.1 million increased by \$0.4 million over the previous fiscal year.

Net transfers out of \$789,515 consist of transfers out for capital improvement and equipment replacement (\$42,036), and fire protection (\$747,749).

The General Fund balance at fiscal year-end was \$3.7 million consisting of non-spendable (\$26,910), restricted (\$101,510), assigned (\$56,279) and \$3,464,347 that was unassigned.

Other Major Funds - Fire Protection Fund

Revenues in the Fire Protection Fund, which were generated from a Citywide Parcel Tax, were \$825,824, an increase of \$46,249 over the previous fiscal year. Expenses were \$1,573,303, an increase of \$40,609 over the previous year.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds

The Fiduciary Fund maintained by the City and Belvedere Public Financing Authority ("Authority") consists of Local Improvement Districts ("LID"s). LID's are established in various parts of the City and Authority 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 and Authority acts solely as the collecting and paying agent for the Districts' debt which is not included in the general debt of the City and Authority.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

General Fund revenues for fiscal year ending June 30, 2018 are anticipated to increase by \$161,348. General Fund expenditures are anticipated to increase by \$290,511 for fiscal year 2017-18.

Fire Protection Fund revenue will increase by \$32,007, the amount permitted by the Proposition 4 Limitation Factor. Expenditures are estimated to increase by \$69,425.

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

Respectfully submitted,



Craig Middleton
City Manager



Amber Johnson
Finance Officer



— CITY OF BELVEDERE, CALIFORNIA —

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

CITY OF BELVEDERE
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Total
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 4,421,308	\$ 4,421,308
Receivables:		
Accounts receivable, net	130,023	130,023
Prepaid items	158,069	158,069
Total current assets	<u>4,709,400</u>	<u>4,709,400</u>
Capital assets:		
Depreciable, net	6,157,925	6,157,925
Total capital assets	<u>6,157,925</u>	<u>6,157,925</u>
Total assets	<u>10,867,325</u>	<u>10,867,325</u>
<u>DEFERRED OUTFLOWS</u>		
Deferred outflows related to pension (Note 9)	1,467,536	1,467,536
Total deferred outflows	<u>1,467,536</u>	<u>1,467,536</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and other liabilities	349,012	349,012
Compensated absences due within one year	28,258	28,258
Refundable deposits	214,646	214,646
Total current liabilities	<u>591,916</u>	<u>591,916</u>
Long-term liabilities:		
Compensated absences	212,769	212,769
Postemployment benefit obligation	460,728	460,728
Net pension liability	4,243,453	4,243,453
Total noncurrent liabilities	<u>4,916,950</u>	<u>4,916,950</u>
Total liabilities	<u>5,508,866</u>	<u>5,508,866</u>
<u>DEFERRED INFLOWS</u>		
Deferred inflows related to pension (Note 9)	932,866	932,866
Total deferred inflows	<u>932,866</u>	<u>932,866</u>
<u>NET POSITION</u>		
Net investment in capital assets	6,157,925	6,157,925
Unrestricted	<u>(264,796)</u>	<u>(264,796)</u>
Total net position	<u>\$ 5,893,129</u>	<u>\$ 5,893,129</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, 2017

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	\$ 984,634	\$ 18,106	\$ -	\$ -	\$ (966,528)
Public safety:					
Police services	1,839,171	120,445	-	-	(1,718,726)
Fire services	1,573,303	-	-	-	(1,573,303)
Planning and development	1,155,093	717,054	-	-	(438,039)
Public works	879,207	274,710	-	-	(604,497)
Recreation (The Ranch)	82,528	-	-	-	(82,528)
Non Departmental	637,224	-	-	-	(637,224)
Library	706,667	-	-	-	(706,667)
Unallocated depreciation expense	380,138	-	-	-	(380,138)
Total governmental activities	8,237,965	1,130,315	-	-	(7,107,650)
Change in net position:					
Net (expense) revenue	\$ 8,237,965	\$ 1,130,315	\$ -	\$ -	\$ (7,107,650)

continued
next page

CITY OF BELVEDERE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Primary Government	
	Governmental Activities	Total
Change in net position:		
Net (expense) revenue	\$ (7,107,650)	\$ (7,107,650)
General revenues:		
Taxes:		
Property taxes	5,888,358	5,888,358
Other taxes	161,677	161,677
Use of money/property	62,463	62,463
Intergovernmental revenues	1,011,073	1,011,073
Franchise fees	163,322	163,322
Other revenues	36,245	36,245
Total general revenues	<u>7,323,138</u>	<u>7,323,138</u>
Transfers	<u>-</u>	<u>-</u>
Change in net position	215,488	215,488
Net position, beginning of year	<u>5,677,641</u>	<u>5,677,641</u>
Net position, end of year	<u>\$ 5,893,129</u>	<u>\$ 5,893,129</u>

See accompanying notes to basic financial statements.



— CITY OF BELVEDERE, CALIFORNIA —

GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS

CITY OF BELVEDERE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds		Non-Major Funds	Total Governmental Funds
	General	Fire Protection Fund	Other Funds	
ASSETS:				
Cash and investments	\$ 4,026,546	\$ -	\$ 531,052	\$ 4,557,598
Accounts receivable, net	117,650	5,131	7,242	130,023
Prepaid and other current assets	26,910	131,159	-	158,069
Total assets	\$ 4,171,106	\$ 136,290	\$ 538,294	\$ 4,845,690
LIABILITIES:				
Accounts payable and other liabilities	\$ 307,414	\$ -	\$ 41,598	\$ 349,012
Cash balance overdraft	-	136,290	-	136,290
Refundable deposits	214,646	-	-	214,646
Total liabilities	522,060	136,290	41,598	699,948
FUND BALANCES:				
Nonspendable	26,910	-	-	26,910
Restricted	101,510	-	150,000	251,510
Assigned	56,279	-	346,696	402,975
Unassigned	3,464,347	-	-	3,464,347
Total fund balances	3,649,046	-	496,696	4,145,742
Total liabilities and fund balances	\$ 4,171,106	\$ 136,290	\$ 538,294	\$ 4,845,690

CITY OF BELVEDERE

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

JUNE 30, 2017

Total Fund Balances - Total Governmental Funds **\$ 4,145,742**

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	\$ 11,232,510	
Less accumulated depreciation	<u>(5,074,585)</u>	6,157,925

Deferred outflows related to pension	<u>1,467,536</u>	1,467,536
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Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.

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	(241,027)	
Postemployment benefit obligation	(460,728)	
Net pension liability	(4,243,453)	
Deferred inflows related to pension	<u>(932,866)</u>	<u>(5,878,074)</u>

Net Position of Governmental Activities **\$ 5,893,129**

CITY OF BELVEDERE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds		Non-Major Funds	Total Governmental Funds
	General	Fire Protection Fund	Other Funds	
Revenues:				
Property taxes	\$ 5,062,534	\$ 825,824	\$ -	\$ 5,888,358
Other taxes	161,677	-	-	161,677
Licenses and permits	443,611	-	-	443,611
Fines and forfeitures	23,123	-	-	23,123
Use of money/property	60,605	-	1,858	62,463
Intergovernmental revenues	153,278	-	857,795	1,011,073
Charges for services	486,797	-	176,784	663,581
Franchise fees	163,322	-	-	163,322
Other revenues	36,245	-	-	36,245
Total revenues	6,591,192	825,824	1,036,437	8,453,453
Expenditures:				
Current:				
General government	762,842	-	-	762,842
Public safety:				
Police	1,711,543	-	-	1,711,543
Fire	-	1,573,303	-	1,573,303
Planning & development	1,095,007	-	-	1,095,007
Public works	815,975	-	-	815,975
Recreation (The Ranch)	53,682	-	-	53,682
Non Departmental	637,224	-	-	637,224
Library	-	-	706,667	706,667
Capital outlay	-	-	391,514	391,514
Total expenditures	5,076,273	1,573,303	1,098,181	7,747,757
Revenues over (under) expenditures	1,514,919	(747,479)	(61,744)	705,696
Other financing sources (uses):				
Transfers from other funds	47,074	747,479	136,535	931,088
Transfers to other funds	(836,589)	-	(94,499)	(931,088)
Total other financing sources (uses)	(789,515)	747,479	42,036	-
Net change in fund balances	725,404	-	(19,708)	705,696
Fund balances-beginning	2,923,642	-	516,404	3,440,046
Fund balances-ending	\$ 3,649,046	\$ -	\$ 496,696	\$ 4,145,742

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, 2017

Net changes in fund balances - total governmental funds **\$ 705,696**

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	\$ 315,785	
Depreciation expense	<u>(495,997)</u>	(180,212)

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	(23,805)	
Change in postemployment benefit obligation	<u>(96,479)</u>	(120,284)

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>(189,712)</u>	<u>(189,712)</u>
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Total changes in net position of governmental activities **\$ 215,488**

CITY OF BELVEDERE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and investments:	
Redemption Fund	\$ 426,143
Reserve Fund	33,704
Other receivable	4,807
	<u>464,654</u>
Interest receivable	<u>-</u>
Total assets	<u><u>\$ 464,654</u></u>
<u>LIABILITIES:</u>	
Accounts payable	\$ 7,100
Due to special assessment districts	457,554
	<u>464,654</u>
Total liabilities	<u><u>\$ 464,654</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, 2017, 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 2017.

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.

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. 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

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

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 \$241,027 on June 30, 2017, an increase of \$23,805 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, 2017, 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, 2017, \$28,913 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 service.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

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

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (“GASB 78”). GASB 78 establishes accounting and financial reporting standards for defined benefit pensions provided by state or local governments through a cost sharing plan that meets the criteria of GASB 68 and is not a state or local governmental pension plan. The new standard is effective for periods beginning after December 15, 2015. Implementation of this statement did not have a significant impact on the City for the year ended June 30, 2017.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* (“GASB 82”). GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Implementation of this statement did not have a significant impact on the City for the year ended June 30, 2017.

R. Recent Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 75 revises and establishes new accounting and financial reporting requirements for governments that provide their employees with OPEB and requires additional OPEB disclosures. GASB 75 is effective for periods beginning after June 15, 2017 and is effective for the City's fiscal year ending June 30, 2018.

On May 16, 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*, which improves "consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources — resources other than the proceeds of refunding debt — are placed in an irrevocable trust for the sole purpose of extinguishing debt." Statement 86 is effective for reporting periods beginning after June 15, 2017 and is effective for the City's fiscal year ending June 30, 2018. Early application is encouraged.

On June 28, 2017, the GASB issued Statement 87, *Leases*, which "establishes a single approach to accounting for and reporting leases by state and local governments." The new standard's objective is to enhance "the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract." Statement 87 is effective for reporting periods beginning after December 15, 2019 and is effective for the City's fiscal year ending June 30, 2021. Early application is encouraged.

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 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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - Cash and investments:

Government-wide cash and investments at June 30, 2017 consisted of the following:

	Carrying Value	Market Value
State of California - Local Agency Investment Fund	\$ 4,590,138	\$ 4,585,276
Cash in checking accounts	290,117	290,117
Petty cash	900	900
	\$ 4,881,155	\$ 4,876,293
Unrestricted	\$ 4,421,308	
Restricted	459,847	
	\$ 4,881,155	

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

General fund	\$ 4,026,546
Other non-major funds	531,052
	4,557,598
Fiduciary fund	459,847
Total cash and investments	\$ 5,017,445

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 \$136,290.

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

CITY OF BELVEDERE, CALIFORNIA
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	12 months or less	Carrying amount
<u>Pooled investments</u>		
State of California Local Agency Investment Fund	\$ 4,590,138	\$ 4,590,138
Subtotal	4,590,138	4,590,138
Total	\$ 4,590,138	\$ 4,590,138

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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Depreciable capital assets:				
City Hall & Community Center				
Buildings improvements	\$ 3,462,767	\$ 30,727	\$ -	\$ 3,493,494
Corporation yard improvements	265,251	-	-	265,251
Office furniture & equipment	198,765	8,483	-	207,248
Transportation/other-Yard	354,448	24,690	-	379,138
Transportation/other-Police	137,388	80,255	-	217,643
Infrastructure	6,498,106	171,630	-	6,669,736
Total	<u>10,916,725</u>	<u>315,785</u>	<u>-</u>	<u>11,232,510</u>
Less - accumulated depreciation for:				
City (Facilities & Equipment)	2,599,416	170,043	-	2,769,459
Infrastructure	1,979,172	325,954	-	2,305,126
	<u>4,578,588</u>	<u>495,997</u>	<u>-</u>	<u>5,074,585</u>
Depreciable capital assets, net	<u>6,338,137</u>	<u>(180,212)</u>	<u>-</u>	<u>6,157,925</u>
Total capital assets, net	<u>\$ 6,338,137</u>	<u>\$ (180,212)</u>	<u>\$ -</u>	<u>\$ 6,157,925</u>

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

Governmental activities:	
General gov't	\$ 31,631
Police	51,460
Planning & Building	28,844
Public Works	29,264
Community Center	28,846
Infrastructure	325,952
	<u>\$ 495,997</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.

In August 2016, the City's seven utility undergrounding assessment districts were consolidated and refinanced with lower interest rates in order to reduce payments for participating property owners. The following table summarizes the outstanding balance of the seven issues as of June 30, 2017. Discussion of the consolidated district can be found on page 42.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

	Balance, June 30, 2016	Additions	Retirements/ Adjustments	Balance, June 30, 2017
<u>LID Debt:</u>				
Upper Beach Road	\$ 940,000	\$ -	\$ (940,000)	\$ -
Madrona	1,550,000	-	(1,550,000)	-
San Rafael	895,000	-	(895,000)	-
Lower Belvedere	2,185,000	-	(2,185,000)	-
Bayview/Bella Vista	1,450,000	-	(1,450,000)	-
Mid San Rafael Ave	1,245,000	-	(1,245,000)	-
Pine Avenue	1,115,000	-	(1,115,000)	-
2016 UOAD	-	9,475,000	-	9,475,000
Total	<u>\$ 9,380,000</u>	<u>\$ 9,475,000</u>	<u>\$ (9,380,000)</u>	<u>\$ 9,475,000</u>

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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Upper Beach Road Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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.

CITY OF BELVEDERE, CALIFORNIA
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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 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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Madrona, Bella Vista and Oak Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the San Rafael Avenue Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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

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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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Lower Belvedere Avenue Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Bayview Avenue/Bella Vista Avenue Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Mid San Rafael Avenue Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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.

In August 2016, the City, through the Belvedere Public Financing Authority, issued a revenue bond to refund the Pine Avenue Underground Assessment District, thus repaying the bond in full as of June 30, 2017.

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2016 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.

In August 2016, revenue bonds (Belvedere Public Financing Authority Revenue Bonds, 2016 Consolidated Utility Undergrounding Reassessment and Refunding District) were issued in the amount of \$9,475,000, representing the unpaid assessments from the outstanding limited obligation bonds from the seven previous underground assessment district of \$9,011,209 plus fees pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds. The bonds bear annual interest ranging from 0.75% to 3.05%. 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, 2017. Interest on the bonds became payable commencing March 2, 2017, and semi-annually thereafter on each March 2 and September 2 until maturity.

The Belvedere Public Financing Authority paid costs of issuance of \$178,234, an underwriter's discount of \$189,500, and a transfer to escrow fee of \$466. A Debt Service Reserve Fund is required to be established in the initial amount of \$95,591 from the bond proceeds. That amount, less any amounts transferred to the Redemption Fund constitutes the "Reserve Requirement" for the bonds. The Belvedere Public Financing Authority'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, 2017, future debt service payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2018	\$ 335,000	\$ 235,801	\$ 570,801
2019	360,000	232,745	592,745
2020	380,000	228,570	608,570
2021	370,000	223,605	593,605
2022	380,000	217,975	597,975
2023-2027	1,990,000	982,819	2,972,819
2028-2032	2,210,000	736,444	2,946,444
2033-2037	2,160,000	398,710	2,558,710
2038-2042	1,175,000	96,513	1,271,513
2043-2044	115,000	4,113	119,113
	<u>\$ 9,475,000</u>	<u>\$ 3,357,295</u>	<u>\$ 12,832,295</u>

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NOTE 6 - Joint ventures and pools:

Belvedere Parking Authority and Belvedere Public Financing Authority

The Belvedere Parking Authority (“Parking Authority”) was established in May 2016 for the purpose of being the second entity in a joint powers authority with the City to establish a financing authority.

The Belvedere Public Financing Authority (the “Financing Authority”) was established in May 2016 as a joint powers authority between the City and the Parking Authority. The Financing Authority was established to execute refunding agreements for the outstanding limited obligation bonds of the underground assessment districts, fund the reserve fund, pay for the costs of issuance, and pay debt service payments.

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, 2017 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 (\$706,667 for fiscal 2017), 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, 2017 for the Agency is presented below:

Total assets	\$ 8,239,798
Total capital assets	4,521,100
Total deferred outflows	446,108
Total liabilities	(2,429,910)
Total deferred inflows	(78,631)
Net position	6,177,365
Net program expenses	(2,534,858)
Net program revenues	315,834
Total general revenues	2,461,146
Increase in net position	242,122

Public Agency Risk Sharing Authority of California (PARSAC)

The City of Belvedere is a member of the PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA (“PARSAC”) for liability and workers’ compensation risk coverage. PARSAC is a statewide joint powers authority providing risk sharing services to California public entities that provide a municipal service. PARSAC is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the joint powers authority agreements, all property of PARSAC would be returned to the respective parties that transferred the property to PARSAC and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for PARSAC is available at 1525 Response Road, Sacramento, CA 95815.

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The liability program includes coverage for general liability, property, bond and employment practices. The City pays an annual premium to PARSAC for its risk coverage. The City has a \$25,000 retention limit similar to a deductible. The Liability Program provides coverage to \$35 million per occurrence for general and automobile liability and public officials errors and omissions. PARSAC self-funds coverage up to \$1 million; losses that exceed this amount are covered via the CSAC Excess Insurance Authority.

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). There were no material unpaid and uninsured claims outstanding at the beginning or end of the last two fiscal years.

The Worker's Compensation Program provides coverage up to statutory limits per occurrence, including volunteer operations. PARSAC self-funds up to \$500,000; losses in excess of this amount are covered via the Local Agency Workers' Compensation Excess Pool and reinsurance.

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

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NOTE 7 - Transfers:

The following schedule summarizes the operating transfers in and out for the fiscal year ended June 30, 2017, followed by the principal purposes of each interfund transfer:

	Transfers in	Transfers out
General Fund:		
Fire Protection	\$ -	\$ 747,479
Equipment Replacement	-	89,109
Capital Improvement	47,074	-
	47,074	836,589
Fire Protection Fund:		
General Fund	747,479	-
	747,479	-
General Capital Improvements:		
General Fund	-	47,074
Gas Tax	47,425	-
	47,425	47,074
Non-Major Funds:		
Equipment Replacement	89,109	-
Gas Tax	-	47,425
	89,109	47,425
Totals	\$ 931,088	\$ 931,088

General Fund to Fire Fund \$747,479 – 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 \$89,109 – The amount of expenditures for equipment in fiscal 2017 will be replaced by a transfer from the General Fund to make the Equipment Replacement Fund balance \$116,457 at year end.

Capital Improvement Fund to General Fund \$47,074 – Excess funds in the Capital Improvement Fund are transferred to the General Fund to make the Capital Improvement Fund balance \$50,000 at year end.

Gas Tax Fund to Capital Improvement Fund \$47,425 – 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
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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
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Investment Earnings

Investment earnings follow the classification of the revenues invested.

Minimum Fund Balance Policy

The Council has established a policy to maintain a General Fund Reserve equal to 50% of annual operating expense plus the General Fund transfer to the Fire Fund. At June 30, 2017, the amount in reserve is \$3.4 million, which complies with this policy.

Fund balances classifications at June 30, 2017 were:

	General Fund	Fire Protection Fund	Non-Major Other Funds	Total
Nonspendable:				
Prepaid Items	\$ 26,910	\$ -	\$ -	\$ 26,910
Total Nonspendable:	26,910	-	-	26,910
Restricted:				
Police Safety	101,509	-	-	101,509
Street Maintenance	-	-	150,000	150,000
Gas tax	-	-	-	-
Total Restricted:	101,509	-	150,000	251,509
Assigned:				
Pension Reserve	-	-	-	-
Insurance Reserve	56,279	-	-	56,279
Project Design	-	-	330,239	330,239
Unused Grant Funds	-	-	6,457	6,457
Computer Replacement	-	-	10,000	10,000
Total Assigned:	56,279	-	346,696	402,975
Unassigned:	3,464,347	-	-	3,464,347
	\$ 3,649,045	\$ -	\$ 496,696	\$ 4,145,741

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NOTE 9 - Pension Plans

A. General Information about the Pension Plans

The City has pension plans with the California Public Employees Retirement System (“CalPERS”) and the Public Agency Retirement Services (“PARS”). Information about the pension plans follows.

California Public Employees Retirement System (CalPERS)

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 (Classic) Plan
- City Safety (PEPRA) 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.

Funding Policy – Active plan members in the Plan are required to contribute 6.25% or 7% of their covered salary for the miscellaneous plans and 11.5% or 9% for public safety members. The City does not contribute to the employee portion. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for the fiscal year ended June 30, 2017 Miscellaneous Classic 8.88%, PEPRA rates were miscellaneous 6.56%, Safety Classic 14.79%, and PEPRA Safety 12.08%. The contribution requirements of plan members are established by State statute and the employer contribution is established and may be amended by PERS.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2.0% @ 55	2.0% @ 62
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payment	50 - 63+	52 - 67+
Retirement age	1.46%-2.418%	1.0% to 2.5%
Monthly benefit, as a % of eligible compensation	7%	6.25%
Required employee contribution rates	8.88%	6.56%
Required employer contribution rates		

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2.0% @ 50	2.7% @ 57
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payment	50 - 55+	50 - 57+
Retirement age	2.0% - 2.7%	2.0% - 2.7%
Monthly benefit, as a % of eligible compensation	9%	11.50%
Required employee contribution rates	14.79%	12.08%
Required employer contribution rates		

PARS Retirement Enhancement Plan (REP)

Plan Description - The PARS Retirement Enhancement Plan ("REP") was implemented July 1, 2003 and closed to new participants hired after January 1, 2012. This plan is separate from CalPERS and is established as a 401 (a) Defined Benefit Plan. The REP is administered by PARS.

The REP provides a benefit equal to 0.5% of final average compensation for all service while employed at the City of Belvedere.

Eligibility for the benefit is defined as reaching age 55, completing fifteen years of full- time City service, and retiring concurrently from both the City and CalPERS after leaving City employment.

	CalPERS		PARS REP
	Miscellaneous	Safety	
Inactive employees or beneficiaries currently receiving benefits	2	3	3
Inactive employees entitled to but not yet receiving benefits	0	0	0
Active employees	14	7	10
Total	16	10	13

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

B. Contributions

California Public Employees Retirement System (CalPERS) – 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.

PARS Retirement Enhancement Plan (REP) – The City makes all contributions necessary to fund the benefits available under the REP. Employees are not permitted to make any contributions.

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions:	Miscellaneous		Safety		PARS REP	Total
	Classic	PEPRA	Classic	PEPRA		
Employer	\$ 170,474	\$ 20,438	\$ 147,271	\$ 15,570	\$ 32,350	\$ 386,103
Employee	67,284	19,477	55,335	14,809	-	\$ 156,905

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

As of June 30, 2017, 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)	\$2,455,335
Miscellaneous (PEPRA)	\$900
Safety	\$1,611,595
Total Net Pension Liability	<u>\$4,067,830</u>

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2016 and 2015 was as follows:

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

	Miscellaneous		Safety
	Classic	PEPRA	
Proportion - June 30, 2016	.07068%	.00003%	0.03112%
Proportion - June 30, 2015	.06456%	.00002%	0.02760%
Change - Increase(Decrease)	.00612%	.00001%	0.00352%

For the year ended June 30, 2017, the City recognized pension expense of \$555,379. At June 30, 2017, 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	\$ 365,665	\$
Differences between actual and expected experience	6,165	(13,386)
Changes in assumptions		(105,938)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(367,154)
Net differences between projected and actual earnings on plan investments	1,095,706	(446,388)
Total	\$ 1,467,536	\$ (932,866)

\$365,665 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, 2017. 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	
2017	\$ (194,236)
2018	(124,190)
2019	294,526
2020	192,905
Thereafter	-

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	PARS (REP)
Valuation Date	June 30, 2015	June 30, 2013
Measurement Date	June 30, 2016	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.00%
Inflation	2.75%	3.00%
Payroll Growth	3.0%	Not stated
Projected Salary Increase	Rates Vary (1)	Rates vary (1)
Investment Rate of Return	7.5% (2)	7.0%
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	Not stated

(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

California Public Employees Retirement System Plans (CalPERS)

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for fiscal years 1997-2011, including updates to salary increase, mortality and retirement rates. The Experience Study can found on the CalPERS website under Forms and Publications.

Changes of assumptions – There were no changes of assumptions during the measurement period ended June 30, 2016. Deferred inflows of resources for changes in assumptions presented in the table above represents the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the asset would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

CITY OF BELVEDERE, CALIFORNIA
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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. The expected nominal rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

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	51.0%	5.25%	5.71%
Global Debt Securities	20.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)
Total	<u>100%</u>		

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

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

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan in the table represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

Deferred outflows of resources and deferred inflows of resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions should be amortized over the Expected Average Remaining Service Lifetime (“EARSL”) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2016 measurement date is 3.7 years, which was obtained by dividing the total service years by total number of participants in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on members’ probability of decrementing due to an event other than receiving a cash refund.

PARS Retirement Enhancement Plan (REP)

The REP’s range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation as follows:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Cash	3.55%	.53%
Core Fixed Income	39.19%	2.03%
Broad US Equities	41.29%	5.64%
Developed Foreign Equities	12.29%	6.31%
Emerging Market Equities	3.68%	8.56%
Total	100%	

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 7.65 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	6.65%	6.65%	6.65%
Net Pension Liability	\$3,825,347	\$1,402	\$2,412,496
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$2,455,335	\$900	\$1,611,595
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$1,323,088	\$485	\$954,137

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

Payable to the Pension Plan

At June 30, 2017, the City has no outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

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* (“GASB 45”). 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* (“GASB 57”), 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, ten retirees meet those eligibility requirements. The City pays a portion of the health plan in the amount of \$128 per month for seven of the employees, \$780 per month for one of the employees, and \$880 per month for one of the employees. Expenditures for post-retirement health care benefits are recognized as retirees elect coverage in the health plan. During 2017, the City paid a total of \$23,595 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:

Annual required contribution	\$ 118,105
Interest on net OPEB obligation	5,906
Adjustment to annual required contribution	<u>(3,937)</u>
Annual OPEB cost (expense)	120,074
Contributions made	<u>(23,595)</u>
Increase in net OPEB obligation	96,479
Net OPEB obligation - beginning of year	<u>364,249</u>
Net OPEB obligation - end of year	<u><u>\$ 460,728</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 2017 and the two preceding fiscal years were as follows:

Fiscal Year Ended	OPEB Annual Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 67,669	25.7%	\$ 264,968
6/30/2016	\$ 118,105	15.9%	\$ 364,249
6/30/2017	\$ 120,074	19.7%	\$ 460,728

CITY OF BELVEDERE, CALIFORNIA
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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%
7/1/2015	\$ 1,036,193	\$ -	\$ 1,036,193	0.0%	\$ 2,277,818	45.491%

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:

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.

CITY OF BELVEDERE, CALIFORNIA
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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, 2015 was thirty years.

NOTE 11 - Excess of expenditures over appropriations:

For the fiscal year ended June 30, 2017, expenditures exceeded appropriations in the following individual funds:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
General Government	\$ 744,704	\$ 762,842	\$ (18,138)
Police Department	1,682,620	1,711,543	(28,923)
Equipment Replacement Fund:	54,500	124,532	(70,032)
	<u>\$ 2,481,824</u>	<u>\$ 2,598,917</u>	<u>\$ (117,093)</u>

The excess of expenditures over appropriation in the General Government department of \$18,138 was primarily due to Recruitment expenses.

The excess of expenditures over appropriation in the Police department of \$28,923 was primarily due to Worker’s Comp expenses.

The excess of expenditures over appropriation in the Equipment Replacement Fund of \$70,032 was primarily due mid-year expenditures that were funded by grant revenue not anticipated during the budget appropriation cycle.

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.

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:

On August 30, 2017 \$1,000,000 was sent to the California Public Employees Retirement System as a payment towards the unfunded liability. This payment was authorized by the City Council in the 2017/18 budget document.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS

On August 30, 2017 the City refinanced a portion of the City's unfunded actuarial liability with respect to CalPERS obligations. The amount of \$2.6 million was financed through lease financing effected by a lease and lease back of the City's Corporation Yard and adjacent property.

The City has evaluated its financial statements for subsequent events after June 30, 2017 through December 6, 2017, the date these financial statements were available to be issued.



— CITY OF BELVEDERE, CALIFORNIA —

REQUIRED SUPPLEMENTARY INFORMATION

(PENSION AND OPEB FUNDING AND
BUDGETARY INFORMATION)

CITY OF BELVEDERE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*
Fiscal Year Ended June 30, 2017

Schedule of City's Proportionate Share of the Net Pension Liability

	City Miscellaneous Plan						City Safety Plan		
	Classic			PEPRA			6/30/2014	6/30/2015	6/30/2016
	6/30/2014	6/30/2015	6/30/2016	6/30/2014	6/30/2015	6/30/2016			
Plan's proportion of the Net Pension Liability (Asset)	0.02786%	0.06456%	0.07068%	0.00000%	-0.00002%	0.00003%	0.01748%	0.02760%	0.03112%
Plan's proportionate share of the Net Pension Liability (Asset)	\$ 1,733,728	\$ 1,771,115	\$ 2,455,335	\$ 22	\$ (560)	\$ 900	\$ 1,087,923	\$ 1,137,147	\$ 1,611,595
Plan's Covered Employee Payroll	\$ 1,240,066	\$ 1,194,730	\$ 1,114,024	\$ 154,364	\$ 219,252	\$ 256,922	\$ 700,977	\$ 549,191	\$ 608,060
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	139.81%	148.24%	220.40%	0.01%	-0.26%	0.35%	155.20%	207.06%	265.04%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.54%	83.57%	78.46%	83.46%	102.03%	97.00%	82.23%	82.11%	78.17%

* - Fiscal year 2014 - 15 was the first year of implementation, therefore only three years are shown.

CITY OF BELVEDERE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous and Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*
Fiscal Year Ended June 30, 2017

Schedule of Contributions and Notes to Schedule

	City Miscellaneous Plan						City Safety Plan					
	Classic			PEPRA			Classic			PEPRA		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Contractually required contribution (actuarially determined)	\$ 136,009	\$ 165,300	\$ 147,271	\$ 13,604	\$ 15,495	\$ 15,570	\$ 122,586	\$ 135,855	\$ 170,474	\$ 8,614	\$ 11,166	\$ 20,438
Contributions in relation to the actuarially determined contributions	(136,009)	(165,300)	(147,271)	(13,604)	(15,495)	(15,570)	(122,586)	(135,855)	(170,474)	(8,614)	(11,166)	(20,438)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,194,730	\$ 1,315,586	\$ 1,114,024	\$ 219,252	\$ 163,765	\$ 256,922	\$ 549,191	\$ 743,667	\$ 608,060	\$ 96,600	\$ 98,701	\$ 100,117
Contributions as a percentage of covered-employee payroll	11.38%	12.56%	13.22%	6.20%	9.46%	6.06%	22.32%	18.27%	28.04%	8.92%	11.31%	20.41%

* - Fiscal year 2014 - 15 was the first year of implementation, therefore only three years are shown.

Notes to Schedule of Contributions

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Actual Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	to 2007
Mortality	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries
Payroll Growth	3%

CITY OF BELVEDERE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

PARS Retirement Enhancement Plan (REP) Defined Benefit Pension Plans
Last Ten Fiscal Years*
Year Ended June 30, 2017

Schedule of Contributions

	2015	2016	2017
Contractually required contribution (actuarially determined)	\$ 44,240	\$ 37,546	\$ 32,350
Contributions in relation to the actuarially determined contributions	(44,240)	(37,546)	(32,350)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 1,436,349	 \$ 1,219,022	 \$ 1,078,340
 Contributions as a percentage of covered- employee payroll	 3.08%	 3.08%	 3.00%

* - Fiscal year 2014 - 15 was the first year of implementation, therefore only three years are shown.

Notes to Schedule of Contributions

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization method	Level dollar of payroll, closed
Remaining amortization period	19 years
Asset valuation method	Actuarial valuation of assets
Inflation	2.75%
Salary increases	Based on service with City
Investment rate of return	7.00%

Retirement age	Retirement rates of 2.5% for Non-Safety and 3% for Safety per year starting at age 55 with required years of service
Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final- Positive (Negative)
Revenues:				
Property taxes	\$ 4,764,879	\$ 4,764,879	\$ 5,062,534	\$ 297,655
Other taxes	138,500	138,500	161,677	23,177
Licenses and permits	418,000	418,000	443,611	25,611
Fines and forfeitures	34,000	34,000	23,123	(10,877)
Use of money/property	45,024	45,024	60,605	15,581
Intergovernmental revenues	123,674	123,674	153,278	29,604
Charges for services	428,331	428,331	486,797	58,466
Franchise fees	169,000	169,000	163,322	(5,678)
Other revenues	30,500	30,500	36,245	5,745
Total revenues	6,151,908	6,151,908	6,591,192	439,284
Expenditures				
Current:				
General government	744,704	744,704	762,842	(18,138)
Public safety:		-		
Police	1,682,620	1,682,620	1,711,543	(28,923)
Fire		-		-
Planning and development	1,105,031	1,105,031	1,095,007	10,024
Public works	856,820	856,820	815,975	40,845
Recreation (The Ranch)	58,169	58,169	53,682	4,487
Non Departmental	647,579	647,579	637,224	10,355
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	5,094,923	5,094,923	5,076,273	18,650
Excess of revenues over (under) expenditures	1,056,985	1,056,985	1,514,919	457,934
Other financing sources (uses):				
Transfers from other funds	-	-	47,074	(47,074)
Transfers to other funds	(1,052,010)	(1,052,010)	(836,589)	215,421
Total other financing sources (uses)	(1,052,010)	(1,052,010)	(789,515)	168,347
Excess of revenues and other sources over (under) expenditures and other uses	4,975	4,975	725,404	626,281
Fund balances-beginning	2,510,173	2,510,173	2,923,642	413,469
Fund balances-ending	\$ 2,515,148	\$ 2,515,148	\$ 3,649,046	\$ 1,039,750

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final- Positive (Negative)
<u>Revenues:</u>				
Property taxes	\$ 823,776	\$ 823,776	\$ 825,824	\$ 2,048
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money/property	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	823,776	823,776	825,824	2,048
<u>Expenditures</u>				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	1,578,752	1,578,752	1,573,303	5,449
Planning and development	-	-	-	-
Public works	-	-	-	-
Community center	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,578,752	1,578,752	1,573,303	5,449
Excess of revenues over (under) expenditures	(754,976)	(754,976)	(747,479)	7,497
<u>Other financing sources (uses):</u>				
Transfers from other funds	754,976	754,976	747,479	(7,497)
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	754,976	754,976	747,479	(7,497)
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 PROGRESS 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%
7/1/2015	\$ 1,036,193	\$ -	\$ 1,036,193	0.0%	\$ 2,277,818	45.491%

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, 2017

	<u>GENERAL FUND</u>	<u>SLESF FUND</u>	<u>INSURANCE RESERVE FUND</u>	<u>TOTAL GENERAL FUNDS</u>
ASSETS:				
Cash and investments	\$ 3,895,896	\$ 74,371	\$ 56,279	\$ 4,026,546
Accounts receivable, net	90,511	27,139		117,650
Prepaid items and other current assets	26,910			26,910
Total assets	\$ 4,013,317	\$ 101,510	\$ 56,279	\$ 4,171,106
LIABILITIES:				
Accounts payable and other liabilities	\$ 307,414	\$ -	\$ -	\$ 307,414
Refundable deposits	214,646	-	-	214,646
Total liabilities	522,060	-	-	522,060
FUND BALANCES:				
Nonspendable	26,910	-	-	26,910
Restricted	-	101,510	-	101,510
Assigned	-	-	56,279	56,279
Unassigned	3,464,347	-	-	3,464,347
Total fund balances	3,491,257	101,510	56,279	3,649,046
Total liabilities and fund balances	\$ 4,013,317	\$ 101,510	\$ 56,279	\$ 4,171,106

CITY OF BELVEDERE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>GENERAL FUND</u>	<u>SLESF FUND</u>	<u>INSURANCE RESERVE FUND</u>	<u>TOTAL GENERAL FUND</u>
Revenues:				
Property taxes	\$ 5,062,534	\$ -	\$ -	\$ 5,062,534
Other taxes	161,677	-	-	161,677
Licenses and permits	443,611	-	-	443,611
Fines and forfeitures	23,123	-	-	23,123
Use of money/property	59,823	782	-	60,605
Intergovernmental revenues	23,015	130,263	-	153,278
Charges for services	486,797	-	-	486,797
Franchise fees	163,322	-	-	163,322
Other revenues	36,245	-	-	36,245
Total revenues	<u>6,460,147</u>	<u>131,045</u>	<u>-</u>	<u>6,591,192</u>
Expenditures:				
Current:				
General government	762,842	-	-	762,842
Public safety:				
Police	1,711,543	-	-	1,711,543
Fire	-	-	-	-
Planning & development	1,095,007	-	-	1,095,007
Public works	815,975	-	-	815,975
Recreation (The Ranch)	53,682	-	-	53,682
Non-Departmental	635,911	-	1,313	637,224
Total expenditures	<u>5,074,960</u>	<u>-</u>	<u>1,313</u>	<u>5,076,273</u>
Revenues over (under) expenditures	<u>1,385,187</u>	<u>131,045</u>	<u>(1,313)</u>	<u>1,514,919</u>
Other financing sources (uses):				
Transfers from other funds	175,604	(128,530)	-	47,074
Transfers to other funds	(836,589)	-	-	(836,589)
Total other financing sources (uses)	<u>(660,985)</u>	<u>(128,530)</u>	<u>-</u>	<u>(789,515)</u>
Net change in fund balance	724,202	2,515	(1,313)	725,404
Fund balances, beginning of year	<u>2,767,055</u>	<u>98,995</u>	<u>57,592</u>	<u>2,923,642</u>
Fund balances, end of year	<u>\$ 3,491,257</u>	<u>\$ 101,510</u>	<u>\$ 56,279</u>	<u>\$ 3,649,046</u>

CITY OF BELVEDERE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds	Equipment Replacement Fund	General Capital Improvements	Total Nonmajor Governmental Funds
ASSETS:				
Cash and investments	\$ -	\$ 113,957	\$ 417,095	\$ 531,052
Cash with fiscal agent	-	-	-	-
Taxes receivables, net	-	-	-	-
Interest receivable	-	-	-	-
Accounts receivable, net	4,140	2,500	602	7,242
Prepaid items	-	-	-	-
Total assets	\$ 4,140	\$ 116,457	\$ 417,697.00	\$ 538,294
LIABILITIES:				
Accounts payable and other liabilities	\$ 4,140	\$ -	\$ 37,458	\$ 41,598
Total liabilities	4,140	-	37,458	41,598
FUND BALANCES:				
Restricted	-	100,000	50,000	150,000
Assigned	-	16,457	330,239	346,696
Total fund equity	-	116,457	380,239.00	496,696
Total liabilities and fund equity	\$ 4,140	\$ 116,457	417,697.00	\$ 538,294

CITY OF BELVEDERE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Equipment Replacement Fund	General Capital Improvements	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Unrestricted investment earnings	-	-	1,858	1,858
Intergovernmental revenues	\$ 754,092	\$ 31,880	\$ 71,823	\$ 857,795
Charges for services	-	-	176,784	176,784
Other revenues	-	-	-	-
Total revenues	<u>754,092</u>	<u>31,880</u>	<u>250,465</u>	<u>1,036,437</u>
Expenditures:				
Current:				
Library	706,667	-	-	706,667
Capital outlay	-	124,532	266,982	391,514
Total expenditures	<u>706,667</u>	<u>124,532</u>	<u>266,982</u>	<u>1,098,181</u>
Revenues over (under) expenditures	<u>47,425</u>	<u>(92,652)</u>	<u>(16,517)</u>	<u>(61,744)</u>
Other financing sources (uses):				
Transfers from other funds	-	89,109	47,426	136,535
Transfers to other funds	<u>(47,425)</u>	<u>-</u>	<u>(47,074)</u>	<u>(94,499)</u>
Total other financing sources (uses)	<u>(47,425)</u>	<u>89,109</u>	<u>352</u>	<u>42,036</u>
Net change in fund balance	-	(3,543)	(16,165)	(19,708)
Fund balances, beginning of year	-	120,000	396,404	516,404
Fund balances, end of year	<u>\$ -</u>	<u>\$ 116,457</u>	<u>\$ 380,239</u>	<u>\$ 496,696</u>

CITY OF BELVEDERE
COMBINING BALANCE SHEETS
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2017

	LIBRARY FUND	GAS TAX FUND	TOTAL OTHER SPECIAL REVENUE FUNDS
<u>ASSETS:</u>			
Cash and investments	\$ -	\$ -	\$ -
Accounts receivable, net	4,057	83	4,140
Total assets	\$ 4,057	\$ 83	\$ 4,140
<u>LIABILITIES:</u>			
Accounts payable and other liabilities	\$ 4,057	\$ 83	\$ 4,140
Total liabilities	4,057	83	4,140
<u>FUND BALANCES:</u>			
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 4,057	\$ 83	\$ 4,140

CITY OF BELVEDERE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>LIBRARY FUND</u>	<u>GAS TAX FUND</u>	<u>TOTAL OTHER SPECIAL REVENUE FUNDS</u>
Revenues:			
Intergovernmental revenues	\$ 706,667	\$ 47,425	\$ 754,092
Total revenues	<u>706,667</u>	<u>47,425</u>	<u>754,092</u>
Expenditures:			
Library	706,667	-	706,667
Total expenditures	<u>706,667</u>	<u>-</u>	<u>706,667</u>
Revenues over (under) expenditures	<u>-</u>	<u>47,425</u>	<u>47,425</u>
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	-	(47,425)	(47,425)
Total other financing sources (uses)	<u>-</u>	<u>(47,425)</u>	<u>(47,425)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
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, 2017

	<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>2016 UUAD</u>	<u>Combined</u>
<u>ASSETS:</u>										
Cash and investments:										
Redemption Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,143	\$ 426,143
Reserve Fund	33,704	-	-	-	-	-	-	-	-	33,704
Other receivable	-	-	-	-	-	-	-	-	4,807	4,807
Total assets	\$ 33,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,950	\$ 464,654
<u>LIABILITIES:</u>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,100	\$ 7,100
Due to special assessment districts	33,704	-	-	-	-	-	-	-	423,850	457,554
Total liabilities	\$ 33,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,950	\$ 464,654

CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance at</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2017</u>
<hr/> Corinthian Island Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ (8,343)	\$ 8,343	\$ -	\$ -
Reserve Fund	42,000	-	(8,296)	33,704
Interest receivable	46	-	(46)	-
Total assets:	<u>\$ 33,703</u>	<u>\$ 8,343</u>	<u>\$ (8,342)</u>	<u>\$ 33,704</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to special assessment districts	33,703	1	-	33,704
Total liabilities:	<u>\$ 33,703</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 33,704</u>
<hr/> Upper Beach Road Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 101,064	\$ -	\$ (101,064)	\$ -
Reserve Fund	33,013	-	(33,013)	-
Interest receivable	846	-	(846)	-
Total assets:	<u>\$ 134,923</u>	<u>\$ -</u>	<u>\$ (134,923)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to special assessment districts	134,923	-	(134,923)	-
Total liabilities:	<u>\$ 134,923</u>	<u>\$ -</u>	<u>\$ (134,923)</u>	<u>\$ -</u>
<hr/> Madrona, Bella Vista and Oak Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 92,785	\$ -	\$ (92,785)	\$ -
Reserve Fund	47,946	-	(47,946)	-
Interest receivable	1,153	-	(1,153)	-
Total assets:	<u>\$ 141,884</u>	<u>\$ -</u>	<u>\$ (141,884)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 92,785	\$ (92,785)	\$ -
Due to special assessment districts	141,884	(49,099)	(92,785)	-
Total liabilities:	<u>\$ 141,884</u>	<u>\$ 43,686</u>	<u>\$ (185,569)</u>	<u>\$ -</u>

continued
next page

CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2017</u>
<u>San Rafael Assessment District</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 46,393	\$ -	\$ (46,393)	\$ -
Reserve Fund	20,876	-	(20,876)	-
Interest receivable	630	-	(630)	-
Total assets:	<u>\$ 67,899</u>	<u>\$ -</u>	<u>\$ (67,899)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 46,393	\$ (46,393)	\$ -
Due to special assessment districts	67,899	(21,506)	(46,393)	-
Total liabilities:	<u>\$ 67,899</u>	<u>\$ 24,887</u>	<u>\$ (92,786)</u>	<u>\$ -</u>
<u>Lower Belvedere Assessment District</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 111,586	\$ -	\$ (111,586)	\$ -
Reserve Fund	52,815	-	(52,815)	-
Interest receivable	1,517	-	(1,517)	-
Total assets:	<u>\$ 165,918</u>	<u>\$ -</u>	<u>\$ (165,918)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 111,586	\$ (111,586)	\$ -
Due to special assessment districts	165,918	(54,332)	(111,586)	-
Total liabilities:	<u>\$ 165,918</u>	<u>\$ 57,254</u>	<u>\$ (223,172)</u>	<u>\$ -</u>
<u>Bayview/Bella Vista Avenues Assessment District</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 74,910	\$ -	\$ (74,910)	\$ -
Reserve Fund	32,642	-	(32,642)	-
Interest receivable	989	-	(989)	-
Total assets:	<u>\$ 108,541</u>	<u>\$ -</u>	<u>\$ (108,541)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 74,910	\$ (74,910)	\$ -
Due to special assessment districts	108,541	(33,631)	(74,910)	-
Total liabilities:	<u>\$ 108,541</u>	<u>\$ 41,279</u>	<u>\$ (149,820)</u>	<u>\$ -</u>

continued
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CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance at</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2017</u>
<hr/> Mid San Rafael Avenue Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 56,645	\$ -	\$ (56,645)	\$ -
Reserve Fund	28,416	-	(28,416)	-
Interest receivable	885	-	(885)	-
Total assets:	<u>\$ 85,946</u>	<u>\$ -</u>	<u>\$ (85,946)</u>	<u>\$ -</u>
Liabilities:				
Accounts Payable	\$ -	\$ 56,645	\$ (56,645)	\$ -
Due to special assessment districts	85,946	(29,301)	(56,645)	-
Total liabilities:	<u>\$ 85,946</u>	<u>\$ 27,344</u>	<u>\$ (113,290)</u>	<u>\$ -</u>
<hr/> Pine Avenue Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 49,637	\$ -	\$ (49,637)	\$ -
Reserve Fund	23,485	-	(23,485)	-
Interest receivable	673	-	(673)	-
Total assets:	<u>\$ 73,795</u>	<u>\$ -</u>	<u>\$ (73,795)</u>	<u>\$ -</u>
Liabilities:				
Accounts Payable	\$ -	\$ 49,637	\$ (49,637)	\$ -
Due to special assessment districts	73,795	(73,795)	-	-
Total liabilities:	<u>\$ 73,795</u>	<u>\$ (24,158)</u>	<u>\$ (49,637)</u>	<u>\$ -</u>
<hr/> 2016 Avenue Assessment District <hr/>				
Assets:				
Cash and investments:				
Redemption Fund	\$ -	\$ 628,199	\$ (202,056)	\$ 426,143
Reserve Fund	-	-	-	-
Other receivable	-	4,807	-	4,807
Interest receivable	-	-	-	-
Total assets:	<u>\$ -</u>	<u>\$ 633,006</u>	<u>\$ (202,056)</u>	<u>\$ 430,950</u>
Liabilities:				
Accounts Payable	\$ -	\$ (213,314)	\$ 220,414	\$ 7,100
Due to special assessment districts	-	-	423,850	423,850
Total liabilities:	<u>\$ -</u>	<u>\$ (213,314)</u>	<u>\$ 644,264</u>	<u>\$ 430,950</u>

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CITY OF BELVEDERE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2017</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$ 524,677	\$ 636,542	\$ (735,076)	\$ 426,143
Reserve Fund	234,400	-	(200,696)	33,704
Other receivable	-	4,807	-	4,807
Interest receivable	147,470	-	(147,470)	-
Total assets:	<u>\$ 812,609</u>	<u>\$ 641,349</u>	<u>\$ (1,083,241)</u>	<u>\$ 464,654</u>
Liabilities:				
Accounts Payable	\$ -	\$ 218,642	\$ (211,542)	\$ 7,100
Due to special assessment districts	812,609	(168,878)	(186,176)	457,554
Total liabilities:	<u>\$ 812,609</u>	<u>\$ 49,763</u>	<u>\$ (397,718)</u>	<u>\$ 464,654</u>



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULES

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
INSURANCE RESERVE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	2,000	2,000	-	2,000
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning & development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	1,313	(1,313)
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,000	2,000	1,313	687
Excess of revenues over (under) expenditures	<u>(2,000)</u>	<u>(2,000)</u>	<u>(1,313)</u>	<u>687</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	(2,000)	(2,000)	(1,313)	687
Fund balances-beginning	<u>44,712</u>	<u>44,712</u>	<u>57,592</u>	<u>12,880</u>
Fund balances-ending	<u>\$ 42,712</u>	<u>\$ 42,712</u>	<u>\$ 56,279</u>	<u>\$ 13,567</u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	256,219	256,219	71,823	(184,396)
Charges for services	175,000	175,000	176,784	1,784
Franchise fees	-	-	-	-
Other revenues	19,595	19,595	1,858	(17,737)
Total revenues	450,814	450,814	250,465	(200,349)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning & development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	-	-
Library	-	-	-	-
Capital outlay	765,500	765,500	266,982	498,518
Total expenditures	765,500	765,500	266,982	498,518
Excess of revenues over (under) expenditures	(314,686)	(314,686)	(16,517)	298,169
Other financing sources (uses):				
Transfers from other funds	60,000	60,000	47,426	(12,574)
Transfers to other funds	-	-	(47,074)	(47,074)
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	60,000	60,000	352	(59,648)
Excess of revenues and other sources over (under) expenditures and other uses	(254,686)	(254,686)	(16,165)	238,521
Fund balances-beginning	204,735	204,735	396,404	191,669
Fund balances-ending	<u>\$ (49,951)</u>	<u>\$ (49,951)</u>	<u>\$ 380,239</u>	<u>\$ 430,190</u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	-	-	31,880	31,880
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	500	500	-	(500)
Total revenues	500	500	31,880	31,380
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning and development	-	-	-	-
Public works	-	-	-	-
Community Center	-	-	-	-
Library	-	-	-	-
Capital outlay	54,500	54,500	124,532	(70,032)
Total expenditures	54,500	54,500	124,532	(70,032)
Excess of revenues over (under) expenditures	(54,000)	(54,000)	(92,652)	(38,652)
Other financing sources (uses):				
Transfers from other funds	135,000	135,000	89,109	(45,891)
Transfers to other funds	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	135,000	135,000	89,109	(45,891)
Excess of revenues and other sources over (under) expenditures and other uses	81,000	81,000	(3,543)	(84,543)
Fund balances-beginning	110,000	110,000	120,000	10,000
Fund balances-ending	\$ 191,000	\$ 191,000	\$ 116,457	\$ (74,543)

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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	-	-	706,667	706,667
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	706,667	706,667
Expenditures:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Planning and development	-	-	-	-
Public works	-	-	-	-
Community center	-	-	-	-
Library	-	-	706,667	(706,667)
Capital outlay	-	-	-	-
Total expenditures	-	-	706,667	(706,667)
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, 2017

	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	47,425	(12,575)
Charges for services	-	-	-	-
Franchise fees	-	-	-	-
Other revenues	-	-	-	-
Total revenues	60,000	60,000	47,425	(12,575)
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	47,425	(12,575)
Other financing sources (uses):				
Transfers from other funds	-	-	-	-
Transfers to other funds	(60,000)	(60,000)	(47,425)	(12,575)
Proceeds of long-term debt	-	-	-	-
Total other financing sources (uses)	(60,000)	(60,000)	(47,425)	12,575
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(0)	(0)
Fund balances-beginning	-	-	-	-
Fund balances-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ (0)</u>



— 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>	88
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>	94
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>	100
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>	101
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>	103

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,157,925	\$ 6,338,137	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231	\$ 6,477,485	\$ 5,706,425	\$ 5,463,346	\$ 5,007,173	\$ 4,153,529
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(264,796)	(660,496)	(1,082,881)	2,228,375	2,748,028	3,434,876	4,479,437	5,287,697	5,587,825	6,368,744
Total governmental activities net position	<u>\$ 5,893,129</u>	<u>\$ 5,677,641</u>	<u>\$ 5,340,910</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>
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>						
Primary government										
Net investment in capital assets	\$ 6,157,925	\$ 6,338,137	\$ 6,423,791	\$ 6,290,687	\$ 6,391,231	\$ 6,477,485	\$ 5,706,425	\$ 5,463,346	\$ 5,007,173	\$ 4,153,529
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(264,796)	(660,496)	(1,082,881)	2,228,375	2,748,028	3,434,876	4,479,437	5,287,697	5,587,825	6,368,744
Total primary government net position	<u>\$ 5,893,129</u>	<u>\$ 5,677,641</u>	<u>\$ 5,340,910</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>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Source: City Finance Department

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 984,634	\$ 681,073	\$ 839,551	\$ 1,028,858	\$ 1,238,851	\$ 1,172,786	\$ 898,233	\$ 792,680	\$ 819,409	\$ 761,977
Public safety	3,412,474	3,245,388	2,957,115	3,148,198	2,934,211	2,780,923	2,702,610	2,676,539	2,436,063	2,200,074
Planning and development	1,155,093	1,122,216	1,082,995	1,565,998	1,578,591	1,456,839	1,481,116	1,511,119	1,447,646	1,149,621
Public works	879,207	960,194	916,263	1,083,090	873,506	862,370	921,415	902,579	901,726	878,056
Recreation (The Ranch)	82,528	81,833	99,253	74,807	346,405	45,443	42,233	37,561	58,879	36,070
Library	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894	523,063	564,677
Non-departmental	637,224	371,348	401,903	-	261,670	231,431	193,232	157,913	136,615	102,282
Unallocated depreciation expense	380,138	310,089	294,135	273,435	-	-	-	-	-	-
Total governmental activities expenses	<u>8,237,965</u>	<u>7,403,867</u>	<u>7,191,432</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>
Business-type activities:										
Sewer	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>-</u>									
Total primary government expenses	<u>\$ 8,237,965</u>	<u>\$ 7,403,867</u>	<u>\$ 7,191,432</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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189	\$ 29,273
Public safety	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300	24,483	16,428
Planning and development	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464	607,349	662,362
Public works	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576	218,778	288,641
Community Center	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,130,315</u>	<u>1,116,420</u>	<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>
Business-type activities:										
Charges for services:										
Sewer	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>									
Total primary government program revenues	<u>\$ 1,130,315</u>	<u>\$ 1,116,420</u>	<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>

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental activities	\$ (7,107,650)	\$ (6,287,447)	\$ (5,983,486)	\$ (6,914,602)	\$ (6,747,919)	\$ (5,874,370)	\$ (6,025,908)	\$ (5,434,342)	\$ (5,454,602)	\$ (4,696,053)
Total primary government net expense	<u>\$ (7,107,650)</u>	<u>\$ (6,287,447)</u>	<u>\$ (5,983,486)</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>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 5,888,358	\$ 5,350,001	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805	\$ 3,680,706	\$ 3,602,729	\$ 3,719,284	\$ 3,562,944	\$ 3,505,396
Other taxes	161,677	142,479	115,208	199,457	247,757	850,245	791,767	779,662	786,786	771,346
Use of money/property	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202	137,425	238,191
Intergovernmental revenues	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425	749,506	1,138,158
Franchise fees	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265	116,977	110,501
Other	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045	53,099	54,763
Transfers	-	-	-	-	107,224	-	83,788	111,504	120,690	-
Total governmental activities	<u>7,323,138</u>	<u>6,738,276</u>	<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>
Total primary government	<u>\$ 7,323,138</u>	<u>\$ 6,738,276</u>	<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>
Change in Net Position										
Governmental activities	\$ 215,488	\$ 450,829	\$ 283,830	\$ (620,197)	\$ (773,102)	\$ (273,501)	\$ (567,181)	\$ 158,045	\$ 72,825	\$ 1,122,302
Total primary government	<u>\$ 215,488</u>	<u>\$ 450,829</u>	<u>\$ 283,830</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>

Source: City Finance Department

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

Function/Program	Program Revenues									
	<u>2017</u>	<u>2016</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>
Governmental activities:										
General government	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189	\$ 29,273
Public safety	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300	24,483	16,428
Planning and development	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464	607,349	662,362
Public works	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576	218,778	288,641
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>1,130,315</u>	<u>1,116,420</u>	<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>
Total primary government	<u>\$ 1,130,315</u>	<u>\$ 1,116,420</u>	<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>

Source: City Finance Department

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

	Fiscal Year									
	<u>2017</u>	<u>2016</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>
General Fund										
Nonspendable	\$ 26,910	\$ 31,422	\$ 16,150	\$ 10,476	\$ 9,923	\$ 413,142	\$ 410,817	\$ 414,848	\$ 405,460	\$ 422,350
Restricted	101,510	98,995	77,808	61,322	53,831	44,372	50,946	36,644	54,645	57,651
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	56,279	257,592	157,592	58,839	-	-	-	-	-	-
Unassigned	<u>3,464,347</u>	<u>2,535,633</u>	<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>
Total general fund	<u>\$ 3,649,046</u>	<u>\$ 2,923,642</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	150,000	314,064	307,737	402,903	414,209	375,708	812,854	1,170,749	273,621	438,468
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	346,696	202,340	223,100	49,790	170,271	99,370	573,924	533,540	2,554,221	1,960,527
Unassigned	<u>-</u>	<u>(34)</u>								
Total all other governmental funds	<u>\$ 496,696</u>	<u>\$ 516,404</u>	<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>

Source: City Finance Department

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
	10%	7%	3%	8%	22%	2%	-3%	4%	2%	16%
Property taxes	\$ 5,888,358	\$ 5,350,001	\$ 4,993,837	\$ 4,858,173	\$ 4,501,805	\$ 3,680,706	\$ 3,602,729	\$ 3,719,284	\$ 3,562,944	\$ 3,505,396
Other taxes	161,677	142,479	115,208	199,457	247,757	850,245	91,767	779,662	786,786	771,346
Licenses and permits	443,611	453,404	367,059	411,600	442,153	409,990	330,151	333,733	335,539	381,750
Fines and forfeitures	23,123	21,786	368,789	22,925	122,770	232,881	23,073	354,942	67,554	64,017
Use of money/property	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202	137,425	238,191
Intergovernmental	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425	749,506	1,138,158
Charges for services	663,581	641,228	472,098	421,905	465,686	565,677	387,979	476,268	465,705	550,938
Franchise fees	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265	116,977	110,501
Other revenues	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045	53,099	54,763
Total revenues	8,453,453	7,854,694	7,475,262	7,150,835	6,898,202	6,809,417	5,416,142	6,645,826	6,275,535	6,815,060
Expenditures										
General government	1,400,066	1,094,516	1,155,569	967,926	1,182,562	1,141,306	844,598	736,715	752,063	707,121
Public safety	3,284,846	3,167,024	2,864,729	3,092,280	2,860,949	2,717,723	2,633,751	2,597,898	2,398,330	2,155,192
Planning and development	1,095,007	1,064,239	1,029,395	1,501,913	1,551,205	1,420,824	1,457,819	1,472,293	1,412,662	1,119,300
Public works	815,975	828,348	769,864	862,315	756,043	704,076	798,718	773,627	750,275	702,629
Community Center	53,682	53,019	70,380	46,141	317,976	18,294	16,343	12,516	35,564	15,320
Library	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894	526,063	564,677
Capital outlay	391,514	478,347	713,514	539,046	418,652	1,301,304	706,654	883,377	1,290,281	1,292,318
Total expenditures	7,747,757	7,317,219	7,203,668	7,606,266	7,632,681	7,836,653	6,986,156	6,997,320	7,165,238	6,556,557
Excess of revenues over (under) expenditures	705,696	537,475	271,594	(455,431)	(734,479)	(1,027,236)	(1,570,014)	(351,494)	(889,703)	258,503
Other Financing Sources (Uses)										
Transfers in	931,088	908,952	1,015,062	513,794	717,043	561,178	697,167	805,051	983,932	74,608
Transfers out	(931,088)	(908,952)	(1,015,062)	(513,794)	(609,819)	(561,178)	(613,379)	(693,547)	(863,241)	(74,608)
Total other financing sources (uses)	-	-	-	-	107,224	-	83,788	111,504	120,691	-
Net change in fund balances	\$ 705,696	\$ 537,475	\$ 271,594	\$ (455,431)	\$ (627,255)	\$ (1,027,236)	\$ (1,486,226)	\$ (239,990)	\$ (769,012)	\$ 258,503
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 Six 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	1.1147	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	1.1036	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	41,655,695	16,933,816	11,124,656	1,745,926,606	1.0951	3,106,077,967	1.779043
2015-16	1,823,642,530	13,182,251	31,296,908	18,944,702	10,787,692	1,876,278,699	1.1098	2,577,614,790	1.373791
2016-17	2,011,175,049	13,498,200	41,850,052	17,940,291	10,858,866	2,073,604,726	1.0886	4,249,174,817	2.049173

Source: Marin County Assessor data, MuniServices, LLC

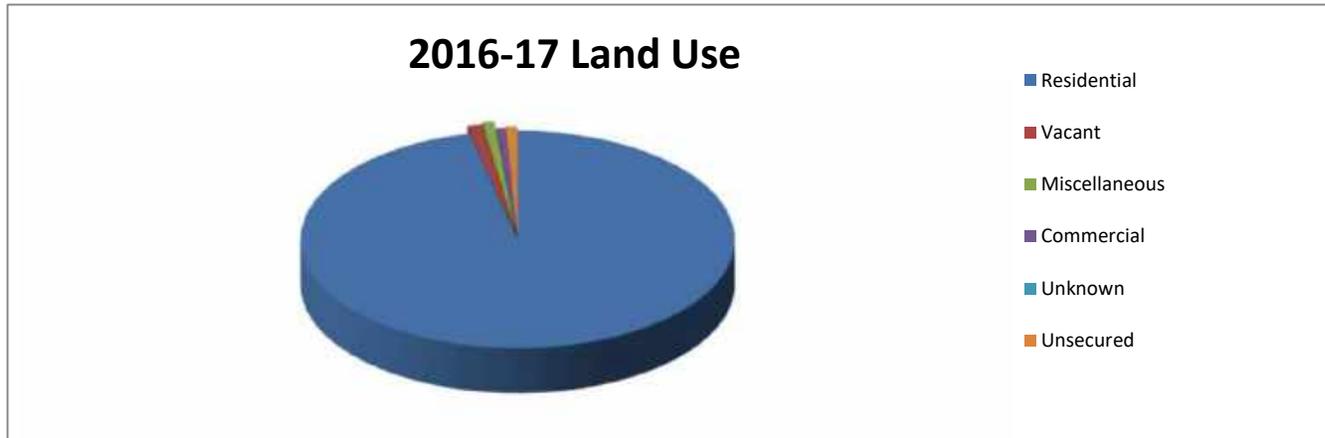
1.) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 001-000 and rounded.

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 Six Fiscal Years

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Residential	1,485,737,622	1,539,081,839	1,612,430,131	1,685,572,954	1,823,642,530	2,011,175,049
Vacant	16,930,139	12,192,997	12,979,676	13,033,407	13,431,328	22,089,668
Miscellaneous	1,298,236	7,603,569	7,751,260	7,504,772	7,540,624	19,758,398
Commercial	12,408,533	12,598,426	12,807,652	12,888,797	13,182,251	13,498,200
Unknown	15,042,000	18,757,000	20,231,500	21,117,416	10,324,956	1,986
Gross Secured Value	1,531,416,530	1,590,233,831	1,666,200,219	1,740,117,346	1,868,121,689	2,066,523,301
Unsecured	17,227,702	18,037,450	16,706,550	16,933,816	18,944,702	17,940,291
Less Exemptions	4,545,789	11,197,876	10,871,256	11,124,656	10,787,692	10,858,866
Net Taxable Value	1,544,098,443	1,597,073,405	1,672,035,513	1,745,926,506	1,876,278,699	2,073,604,726



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 Six Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Basic City and County Levy						
COUNTY GENERAL FUND	0.185000	0.185000	0.185000	0.185000	0.185000	0.185000
CITY OF BELVEDERE	0.207000	0.207000	0.207000	0.207000	0.207000	0.207000
ALL OTHER COUNTY ENTITIES	0.608000	0.608000	0.608000	0.608000	0.608000	0.608000
TOTAL	1.000000	1.000000	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	0.000000	0.000000
2002 Series	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2004 Series	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
2006 Series	0.017100	0.016700	0.016000	0.014800	0.006300	0.000000
2010 Refunding bond	0.012600	0.010200	0.012800	0.011700	0.010600	0.009900
MARIN COM COLLEGE	0.017500	0.017800	0.020400	0.018000	0.014700	0.010100
REED SCHOOL BONDS 2002	0.024300	0.000000	0.000000	0.000000	0.000000	0.000000
REED UNION SCH BONDS 2004	0.017900	0.007100	0.000000	0.000000	0.000000	0.000000
REED UNION SCH- 2011 REFUNDING	0.000000	0.029200	0.034000	0.031200	0.029000	0.027200
REED UNION SCH- 2012 REFUNDING	0.000000	0.000000	0.006300	0.010700	0.009500	0.009100
REED ELEM SCH BD'06	0.014000	0.013400	0.004300	0.000000	0.000000	0.000000
TAMALPAIS USHD GO BOND FUND 2011	0.000000	0.005100	0.009800	0.008700	0.008000	0.007100
TAMALPAIS UHSD 2014 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.006400	0.011800
MARIN COM COLLEGE 2015 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.001800	0.001800
MARIN COM COLLEGE 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.002300
MARIN HEALTHCARE-MEASURE	0.000000	0.000000	0.000000	0.000000	0.023500	0.009300
TOTAL	0.114700	0.104600	0.103600	0.095100	0.109800	0.088600
TOTAL TAX RATE	1.114700	1.104600	1.103600	1.095100	1.109800	1.088600

Source: Marin County Auditor data, MuniServices, LLC

Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 001-000

City of Belvedere

Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

Taxpayer	2016-17		2007-08	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Holdings LLC	47,500,000	2.29%		
Belvedere Land Company Partner	41,313,149	1.99%	35,766,718	2.79%
Pampalone Trust	25,370,485	1.22%		
Koogle Timothy A	19,770,759	0.95%		
101 Belvedere LLC	15,500,000	0.75%		
Winslow Clark J	15,075,908	0.73%		
Yen Hui Hsien Bert	14,867,632	0.72%		
Settling Ltd.	13,632,323	0.66%		
Inj Llc	13,183,021	0.64%		
Grand Stephen Nancy J Joint	12,419,360	0.60%		
Drebes Lawrence T Jr	12,150,084	0.59%	10,525,192	0.82%
Silberstein Stephen M Revoc Tr	11,967,670	0.58%		
Dillard Family Trust 2003	11,618,278	0.56%		
Kawishiwi Partners Revocable T	10,442,815	0.50%		
27 Bellevue LLC	9,882,184	0.48%		
Janney Daniel S	9,604,721	0.46%	9,863,001	0.77%
39 Belvedere LLC	9,560,105	0.46%		
Burillo Javier	9,550,985	0.46%	8,273,832	0.64%
Cana Properties LLC	9,081,411	0.44%		
Wheelhouse Trust	8,781,912	0.42%		
De Somma Leonard B	8,195,292	0.40%		
Mwvnmvm Ltd..	8,127,500	0.39%		
Golden Gate Belvedere LLC	7,900,000	0.38%		
Hilpert Dale W	7,548,407	0.36%	6,538,042	0.51%
Pine Trust	7,543,000	0.36%		
Kahn Philippe R Tr			10,200,000	0.79%
Carrel David M Tr			8,518,613	0.66%
Safiri Zohreh			8,171,916	0.64%
Schneider James A			7,737,954	0.60%
Barker Jennifer P Tr			7,676,601	0.60%
Troxel Douglas D Tr			7,592,982	0.59%
Richards Albert			7,521,045	0.59%
Faithfort Entrtps Inc			7,355,500	0.57%
Dixon William R Jr			7,275,800	0.57%
Lockshin Steven D Tr Etal			6,579,000	0.51%
Wojcik Richard F			6,370,959	0.50%
Gilliland Gloria J Tr			6,302,304	0.49%
Goldberg Fred S Tr			6,268,780	0.49%
Richardson Bay Land Co Etal			6,207,153	0.48%
Reynolds Michael D Tr			6,150,073	0.48%
Jacobs Bruce Tr			5,878,260	0.46%
Skeen Michelle			5,850,516	0.46%
Ostroff Greg M Tr			5,848,895	0.46%
Skeen John K			5,646,001	0.44%
Bella Vista Capital Inc			5,610,000	0.44%
Total Top 25 Taxpayers	360,587,001	17.39%	209,729,137	16.34%
Total Taxable Value	2,073,604,726	100.00%	1,283,534,547	100.00%

Source: Marin County Assessor data, MuniServices, LLC

City of Belvedere

Principal Sales Tax Producers Last Fiscal Year and Nine Years Ago

2016-17	
Taxpayer	Business Type
Ann Hoskins Interiors	Miscellaneous Retail
Bayside Garden Center	Florist/Nursery
Carol Anne Anderson	Furniture/Appliance
Christen Interiors	Miscellaneous Retail
Corinne Matthews Wiley	Furniture/Appliance
Corinthian Yacht Club	Restaurants
Cuthrell & Daughter	Business Services
Diana J.Bradley	Miscellaneous Other
Hot Foot America	Chemical Products
Katharine Whittaker	Miscellaneous Retail
Katherine Hill	Miscellaneous Retail
Linda Applewhite & Associates	Business Services
Mh Design	Miscellaneous Retail
Ming's Restaurant	Restaurants
Nancy Freed Interiors	Miscellaneous Retail
Protectorusa	Misc. Vehicle Sales
Purple Monkey Hair	Apparel Stores
R & S Service	Auto Parts/Repair
Sharon D. Paster	Miscellaneous Retail
Smith Bio-Medical	Office Equipment
Spindler Textiles	Miscellaneous Other
Susan Imel Interior Design	Miscellaneous Retail
The San Francisco Yacht Club	Miscellaneous Retail
Unknown Jh	Closed Acct-Adjustmt
Virginia De-Maria Interiors	Miscellaneous Retail

Source: Q117 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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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 %
2016	3,720,091	3,720,091	100.00 %	-	3,720,091	100.00 %
2017	4,113,119	4,113,119	100.00 %	-	4,113,119	100.00 %

Sources: City Finance Department

August 24, 2017

Ms. Keesha Williams
 MuniServices. LLC
 7625 N. Palm Ave., Suite 108
 Fresno, CA 93711

CITY OF BELVEDERE

2016-17 Assessed Valuation: \$2,076,427,948

	Total Debt 6/30/17	% Applicable (1)	City's Share of Debt 6/30/17
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Marin Community College District	\$313,510,000	2.937%	\$ 9,207,789
Tamalpais Union High School District	117,095,000	4.951	5,797,373
Reed Union School District	29,260,000	25.248	7,387,565
Marin Healthcare District	157,385,000	3.534	5,561,986
Belvedere-Tiburon Library Community Facilities District No. 95-1	875,000	29.062	254,293
Marin County Open Space Community Facilities District No. 1993-1	2,292,001	34.972	801,559
Marin County Open Space Community Facilities District No. 1997-1	2,292,001	34.972	801,559
City of Belvedere 1915 Act Bonds	9,475,000	100.	9,475,000
Marin Emergency Radio Authority Parcel Tax Obligations	33,000,000	2.933	<u>967,890</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$40,255,014
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Marin County General Fund Obligations	\$90,392,081	2.933%	\$2,651,200
Marin County Pension Obligation Bonds	95,475,000	2.933	2,800,282
Marin County Transit General Fund Obligations	111,628	2.933	3,274
Marin Municipal Water District General Fund Obligations	90,816	3.741	3,397
Marin Community College District General Fund Obligations	2,420,834	2.937	71,100
City of Belvedere General Fund Obligations	72,842	100.	<u>72,842</u> (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$5,602,095
TOTAL DIRECT DEBT			\$72,842
TOTAL OVERLAPPING DEBT			\$45,784,267
COMBINED TOTAL DEBT			\$45,857,109 (3)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Share of Marin Emergency Radio Authority Bonds.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 1.94%
Total Direct Debt (\$72,842) 0.004%
 Combined Total Debt..... 2.21%

AB:(\$500)

City of Belvedere

Demographic and Economic Statistics Last Six Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita		**Public	County	City	County
			Personal Income (2)	Median Age (5)	School Enrollment	Unemployment Rate (%) (3)	Unemployment Rate (%) (4)	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	5,711	3.3%	3.9%	258,927
2015-16	2,162	263,709,928	121,975	56.1	6,023	3.5%	3.9%	262,274
2016-17	2,172	277,680,404	127,845	57.7	6,223	3.2%	3.5%	263,604

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>2017</u>	<u>2016</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>
General government										
City Manager's Office	2	2	2	2	3	3	2	2	2	2
Finance	1	1	1	1	1	1	1	1	1	1
Planning	3	4	4	4	3	4	4	4	3	3
Public Safety										
Officers	7	7	6	6	7	7	7	7	7	6
Civilians	1	1	1	1	1	1	1	1	1	1
Building Inspection	2	3	3	3	3	3	3	3	3	3
Public Works										
Engineering	-	-	-	-	-	-	-	-	-	-
Public Works	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u>20</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>20</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>2017</u>	<u>2016</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>
General government										
Building permits issued	284	205	267	287	292	281	284	270	258	240
Building inspections conducted	2,320	2,551	2,568	2,196	1,869	2,130	1,668	1,573	1,855	1,933
Police										
Physical arrests	10	15	10	10	18	27	33	26	21	16
Parking violations	386	571	427	232	236	183	155	178	242	227
Traffic violations	47	56	82	98	86	129	136	135	86	60
Public Works										
Encroachment permits issued	606	560	528	584	651	686	546	560	491	820
Road closures	44	35	27	57	160	162	107	119	95	84
Planning Department										
Applications received	460	264	433	420	470	473	411	400	417	624
Applications approved	455	230	339	425	334	363	316	293	305	479

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>2017</u>	<u>2016</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	7	7	7	7	7	7	7	7	7	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



— CITY OF BELVEDERE, CALIFORNIA —

COMPLIANCE



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, 2017, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 6, 2017.

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 6, 2017