



— CITY OF BELVEDERE, CALIFORNIA —

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY THE
FINANCE DEPARTMENT

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— CITY OF BELVEDERE, CALIFORNIA —

INTRODUCTORY

SECTION

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CITY OF BELVEDERE, CALIFORNIA

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2018**

Table of Contents

Page

INTRODUCTORY SECTION:

Table of Contents	i
Letter of Transmittal.....	v
Elected Officials and Administrative Personnel	viii
Organization Chart	ix
GFOA Award	x
City Map	xi

FINANCIAL SECTION:

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Governmental Funds:

Balance Sheet	19
Reconciliation of the Governmental Funds – Balance Sheet to the Government-Wide Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Statement of Activities	22

CITY OF BELVEDERE, CALIFORNIA

Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Table of Contents

Page

FINANCIAL SECTION (Continued):

Fiduciary Funds:

Statement of Fiduciary Net Position 25

Notes to Basic Financial Statements..... 27

Required Supplementary Information:

Budgetary Comparison Schedules:

General Fund..... 67

Fire Protection Fund..... 68

Notes to Required Supplementary Information..... 69

Defined Pension Plan – Miscellaneous and Safety Cost-Sharing Multiple-Employer Plans:

Schedule of City’s Proportionate Share of the Net Pension Liability 70

Schedule of Contributions..... 71

Defined Pension Plan – PARS Retirement Enhancement Plan (REP):

Schedule of Contributions..... 72

Other Postemployment Benefit Plan:

Schedule of Changes in the Net OPEB Liability and Related Ratios 73

Schedule of Contributions..... 74

Supplemental Information:

Budgetary Comparison Schedule, Major Capital Projects Fund:

General Capital Improvements Fund 77

General Fund:

Combining Balance Sheet..... 78

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances 79

CITY OF BELVEDERE, CALIFORNIA

Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Table of Contents

Page

FINANCIAL SECTION (Continued):

Non-major Governmental Funds:

Combining Balance Sheets	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	84
Budgetary Comparison Schedule Equipment Replacement Fund.....	85

Agency Funds:

Statement of Changes in Assets and Liabilities	86
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STATISTICAL SECTION:

Financial Trends:

Net Position by Component - Last Ten Fiscal Years	89
Changes in Net Position - Last Ten Fiscal Years	90
Program Revenues by Function/Program – Last Ten Fiscal Years	92
Fund Balances of Governmental Funds - Last Ten Fiscal Years	93
Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years.....	94

Revenue Capacity:

City-wide Assessed Value and Estimated Actual Value of Taxable Property - Last Seven Fiscal Years.....	95
Taxable Property by Use Code, City-Wide – Last Seven Fiscal Years	96
Direct and Overlapping Property Tax Rates - Last Seven Fiscal Years	97
Principal Property Tax Payers – Current Year and Nine Years Ago	98
Property Tax Levies and Collections – Last Ten Fiscal Years	99
Principal Sales Tax Producers	100

CITY OF BELVEDERE, CALIFORNIA

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2018**

Table of Contents

Page

STATISTICAL SECTION (CONTINUED):

Debt Capacity:

Direct and Overlapping General Fund Debt..... 101

Demographic and Economic Information:

Demographic and Economic Statistics - Last Seven Fiscal Years 102

Full-Time Equivalent City Government Employees
by Function/Program – Last Ten Fiscal Years..... 103

Operating Information:

Operating Indicators by Function/Program 104

Capital Asset Statistics by Function/Program 105



CITY of BELVEDERE

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Tel: 415/435-3838 ● Fax: 415/435-0430

November 19, 2018

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

The City, consistent with its responsibility to fully disclose its financial information and to ensure 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 fulfills that requirement for the fiscal year ended June 30, 2018. 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 the information contained in this report.

The City's financial statements have been audited by Maze & Associates, LLC, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018 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 unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2018, 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 affords 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, planning, building code compliance, construction and maintenance of city infrastructure 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, (73%), is from local property taxes. Current Secured Property Tax revenue increased 4.2% in fiscal year 2018 and is estimated to increase 4% in fiscal year 2019. Currently there are 10 homes for sale in Belvedere with sales prices ranging from \$3.2 to \$13 million with an average list price of \$5.4 million.

Total General Fund revenues in 2018 increased \$670,000 (10%) over the prior fiscal year. This increase was primarily due to increased property tax revenue, increased activity in the planning & building department, and a large one-time construction time limit penalty assessment.

Belvedere's revenues are somewhat insulated from economic downturns because only a small percentage of revenue received is from sales tax and there are no hotels in town. In the ten years ranging from fiscal year 2009 through fiscal year 2018, property tax revenues increased an average of 4.95% per year.

Long-Term Financial Planning

The City has identified \$5.4 million in capital projects to be completed over the next five fiscal years. Capital projects included are:

- \$1,500,000 for street improvements,
- \$750,000 for infrastructure improvements – including the beginning phase of a seawall stabilization project,
- \$680,000 for improvements to Belvedere's lanes,
- \$57,000 for parks and open space projects,

- \$370,000 for community building upgrades,
- \$172,000 for utility undergrounding projects, and
- \$1,900,000 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's General Fund Reserve Policy requires that the City maintain an end of year General Fund Reserve that totals one half of the current fiscal year's General Fund expenditures, plus one half of the current fiscal year's General Fund transfer to the Fire Fund. The General Fund reserve was met at the end of fiscal year 2018 and is anticipated to be met in each of the next five fiscal years.

Financial Information

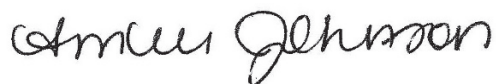
The City's management is responsible for establishing and maintaining internal controls to ensure that the City's assets are adequately protected from loss, theft or misuse. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets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

This report was completed with contributions from 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, 2017. This was the fifth year that the City has received 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,



Amber Johnson
Administrative Services Manager

PRINCIPAL OFFICERS

CITY OF BELVEDERE

JUNE 30, 2018

CITY COUNCIL

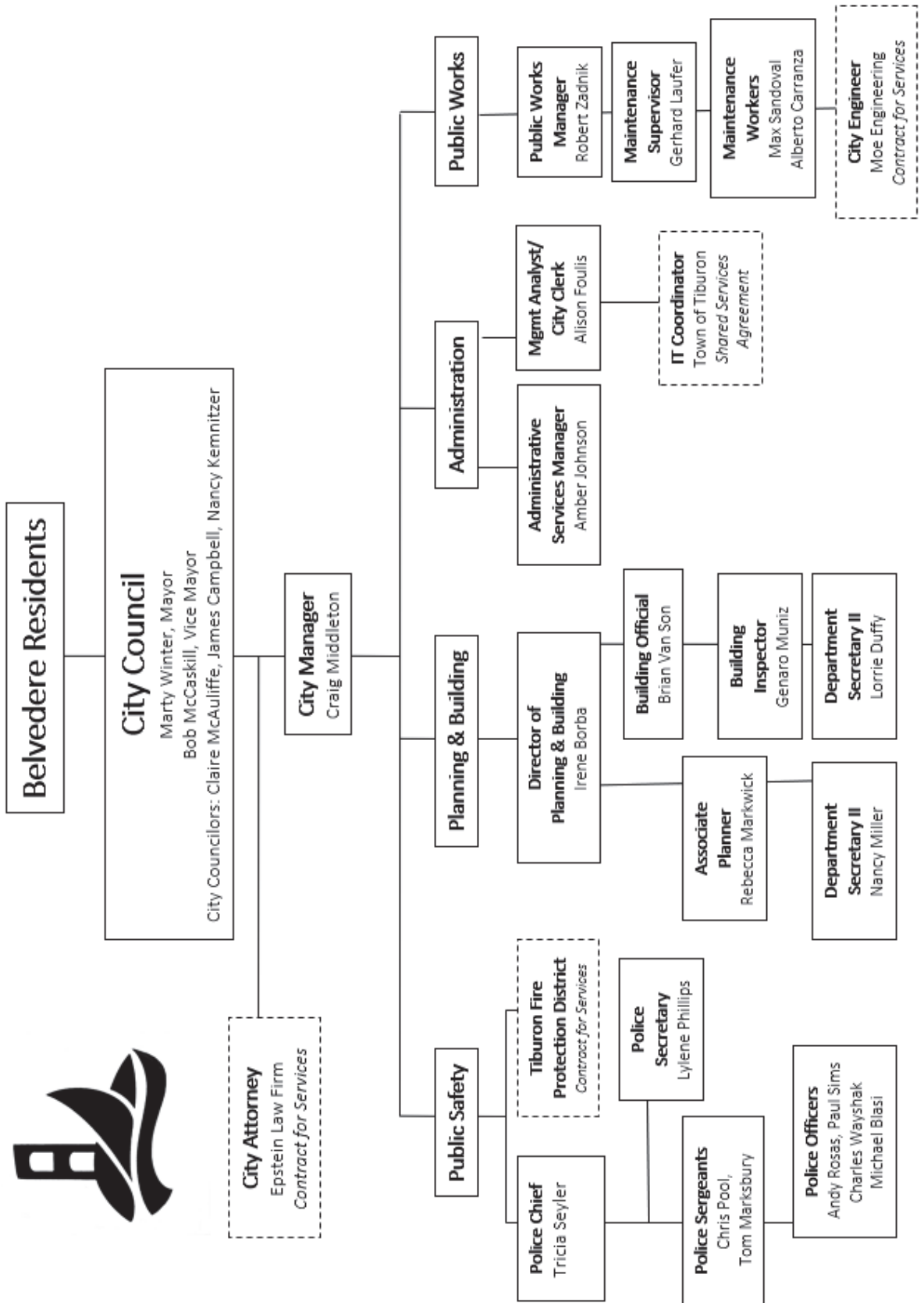
Mayor	Marty Winter
Vice Mayor	Bob McCaskill
Councilmember	James Campbell
Councilmember	Claire McAuliffe
Councilmember	Nancy Kemnitzer

COUNCIL APPOINTEES

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

DEPARTMENT MANAGERS

City Clerk	Alison Foulis
Finance Officer	Amber Johnson
City Planner	Irene Borba
Police Chief	Tricia Seyler
Public Works Manager	Robert Zadnik
Building Official	Brian Van Son





Government Finance Officers Association

**Certificate of
Achievement
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in Financial
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California**

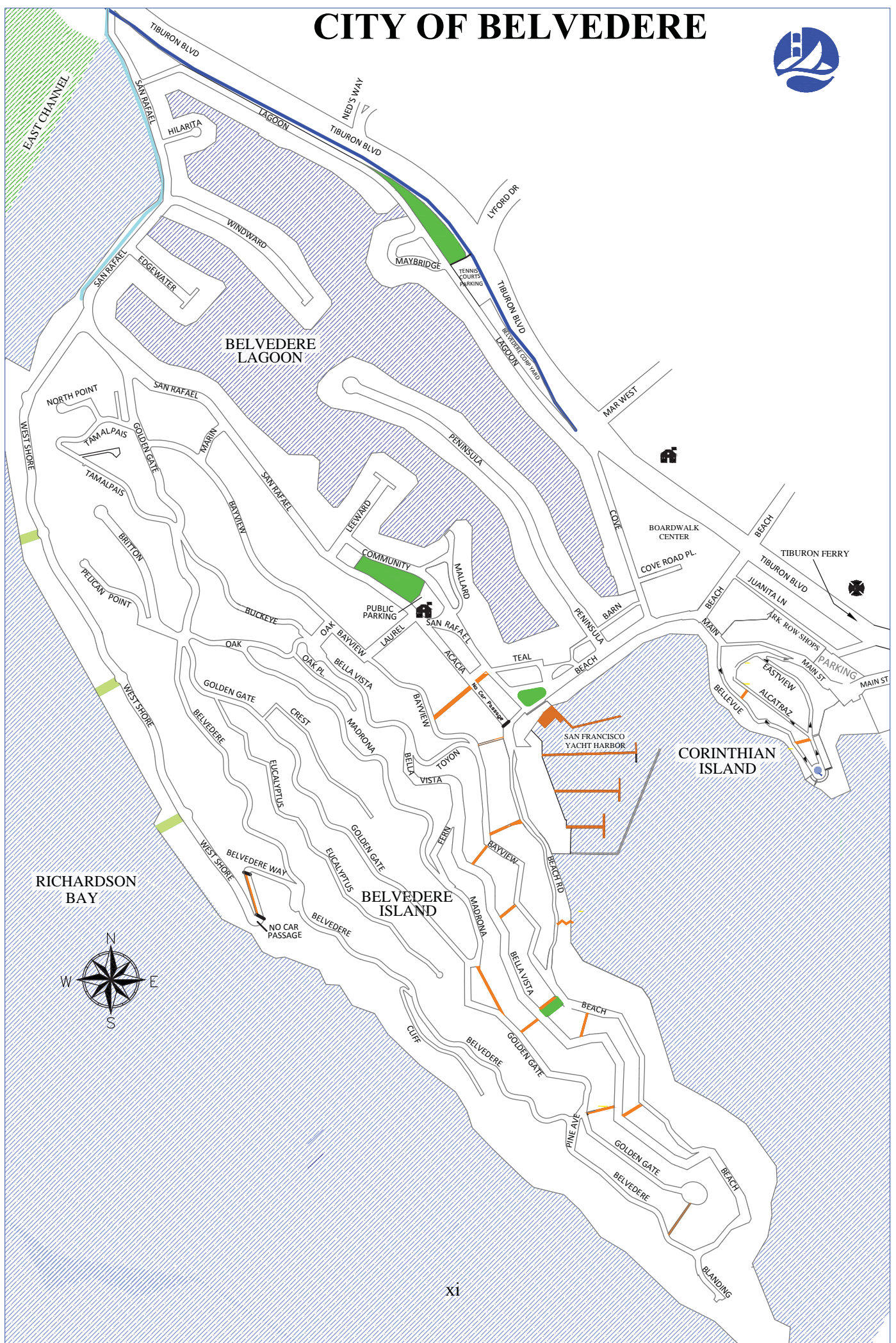
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF BELVEDERE



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— CITY OF BELVEDERE, CALIFORNIA —

**FINANCIAL
SECTION**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
of the City of Belvedere, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belvedere, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents. The prior year financial statements were audited by other auditor's, whose opinion dated December 6, 2017, was unmodified.

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 the 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. 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 City'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 City'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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 1Q.

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, 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, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates 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 Supplemental Information is 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.



Pleasant Hill, California
November 19, 2018

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, 2018. 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, shows the City's assets to be approximately \$11.5 million; deferred outflows of \$2.9 million; liabilities of \$9.5 million; deferred inflows of \$1.7 million; and net position of \$3.2 million.
- Total City revenues were approximately \$9.3 million (general revenues of \$7.7 million and program revenues of \$1.6 million) compared with total expenses of approximately \$11.2 million resulting in a decrease in net position of approximately \$1.9 million for the fiscal year ended June 30, 2018. The primary driver for this substantial net decrease was the City's \$3.6 million paydown of unfunded pension liability balances.
- The City's cash and investments totaled \$4.6 million and net capital assets totaled approximately \$6 million at June 30, 2018, representing 41% and 53% of the City's total assets, respectively. The remaining 6% of total assets is made up of receivable, prepaid and deposit amounts.
- The City's total liabilities totaled approximately \$9.5 million as of June 30, 2018 and consist primarily of postemployment benefit obligation, net pension liability, and the pension-related debt obligation for the lease-leaseback transaction.

Fund Highlights

- As of the close of fiscal year 2018, the City's governmental funds reported a combined ending fund balance of approximately \$3.2 million, a year-over-year decrease of \$1.9 million for the year ended June 30, 2018. The detailed components of Revenues and Expenditures can be found in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances on page 21.

City's Highlights

- In August 2017, the City entered into a lease financing transaction to re-structure \$2.6 million of unfunded CalPERS pension liability. The City combined this \$2.6 million with \$1 million from reserve funds to make a \$3.6 million payment towards the unfunded CalPERS pension liability.
- In FY18 the City spent \$109,000 towards the levee evaluation project, which is partially funded by a California Department of Water Resources (DWR) grant.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

- A large fine was paid by a home owner who exceeded the construction time limit. The amount collected was \$125,600.

Budgetary Highlights

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

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. The City does not have any proprietary funds.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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

- General Fund
- Fire Protection Fund
- General Capital Improvements
- 2017 Lease Revenue Bonds

Fiduciary funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position is a measure of a government's financial position and, over time, a trend of increasing or decreasing net position is an indicator of the financial health of the organization. The City's assets exceed liabilities by approximately \$3.2 million. A schedule of net position is presented in the following table:

Net Position					
June 30, 2018 and 2017					
(thousands)					
	Governmental		Total Primary		Total
	Activities		Government		Percentage
					Change
	2018	2017	2018	2017	
Current and other assets	\$ 5,413	\$ 4,709	\$ 5,413	\$ 4,709	15%
Capital assets	6,070	6,158	6,070	6,158	-1%
Total assets	<u>11,483</u>	<u>10,867</u>	<u>11,483</u>	<u>10,867</u>	6%
Deferred outflows related to pension	2,916	1,468	2,916	1,468	99%
Total deferred outflows	<u>2,916</u>	<u>1,468</u>	<u>2,916</u>	<u>1,468</u>	99%
Current liabilities	873	592	873	592	47%
Noncurrent liabilities	8,577	4,917	8,577	4,917	74%
Total liabilities	<u>9,450</u>	<u>5,509</u>	<u>9,450</u>	<u>5,509</u>	72%
Deferred inflows related to pension	1,716	933	1,716	933	100%
Total deferred inflows	<u>1,716</u>	<u>933</u>	<u>1,716</u>	<u>933</u>	100%
Net position:					
Net investment in capital assets	6,070	6,158	6,070	6,158	-1%
Restricted	396	-	396	-	
Unrestricted	(3,231)	(265)	(3,231)	(265)	1119%
Total net position	<u>\$ 3,234</u>	<u>\$ 5,893</u>	<u>\$ 3,234</u>	<u>\$ 5,893</u>	-45%

Net investment in capital assets (e.g., land, buildings, equipment and infrastructure) of \$6 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 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, 2018, the City has no outstanding debt used to acquire those assets.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 acquisition of debt to restructure the City's unfunded pension liability, combined implementation of GASB 75 and the recording of a net OPEB liability, the unrestricted net position was negative \$2.8 million. Restricted net position represents resources that are subject to external restrictions on how they may be used. At June 30, 2018, the City does not have any restricted assets.

It is worth noting that the total liabilities in the above table include a valuation of the City's unfunded pension liability that does not reflect the paydown of \$3.6 million in unfunded pension liability that occurred in August 2017. This is because GASB 68 allows for valuation of pension plans to lag by one year (i.e. – unfunded liability provided in 2018 refers to the 2017 balance). The City's paydown of unfunded pension liability will be reflected in next year's CalPERS valuation; however, the costs associated with the \$1 million direct payment and the lease-leaseback arrangement used to refinance \$2.6 million of the unfunded liability are included in this year's financial statements. The result of this is an artificially high pension-related liability in the current statements.

Changes in Net Position

The City's net position decreased by approximately \$1.9 million during the current fiscal year and increased by \$0.2 million during the prior fiscal year. The decrease in the City's net position is principally from a large one-time paydown of the City's unfunded pension liability. Information about changes in net position is summarized in the following table in thousands:

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities and Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017 (thousands)

	Governmental Activities		Total Primary Government		Total Percentage Change
	2018	2017	2018	2017	
Revenues:					
Program revenues:					
Charges for services	\$ 1,493	\$ 1,130	\$ 1,493	\$ 1,130	32%
Operating grants and contributions	10	-	10	-	--
Capital grants	131	-	131	-	--
General revenues:					
Taxes	6,329	6,050	6,329	6,050	5%
Franchise and other taxes	189	163	189	163	16%
Earnings on investment	84	63	84	63	33%
Revenues from other agencies	1,031	1,011	1,031	1,011	2%
Other revenue	81	36	81	36	125%
Total revenues	9,348	8,453	9,348	8,453	11%
Program expenses:					
General government	677	985	677	985	-31%
Police	1,668	1,839	1,668	1,839	-9%
Fire	1,454	1,573	1,454	1,573	-8%
Planning and development	1,047	1,155	1,047	1,155	-9%
Public works	1,498	879	1,498	879	70%
Non Departmental	3,946	637	3,946	637	520%
Library and community services	790	790	790	790	0%
Interest on long-term debt	115	-	115	-	--
Unallocated depreciation expense	-	380	-	380	-100%
Total program expenses	11,195	8,238	11,195	8,238	36%
Transfers:	-	-	-	-	
Change in net position	(1,847)	215	(1,847)	215	
Net position, as previously reported	5,893	-	5,893	-	
Restatement for GASB 75	(813)	-	(813)	-	
Net position, beginning of year	5,080	5,678	5,080	5,678	
Net position, end of year	\$ 3,233	\$ 5,893	\$ 3,233	\$ 5,893	

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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, 2018 and 2017 (thousands)**

	2018			2017		Change
	General Fund	Other Major Funds	Other Funds	Total Gov. Funds	Total Gov. Funds	
Revenues	\$ 7,263	\$ 853	\$ 1,233	\$ 9,349	\$ 8,453	11%
Current expenditures	5,829	1,454	3,512	10,796	7,356	47%
Capital outlay	-		646	646	392	65%
	5,829	1,454	4,158	11,441	7,748	48%
Capital Lease	2,655	-	-	2,655	-	--
Net transfers	(1,238)	601	638	-	-	--
	1,417	601	638	2,655	-	--
Net change in fund balances	195	-	(2,287)	563	706	-20%
Fund balances, beginning of year	3,650	-	496	4,146	3,440	21%
Fund balances, end of year	\$ 3,845	\$ -	(1,791)	\$ 4,709	\$ 4,146	14%

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

General Fund

General fund revenues of \$7.3 million increased by \$0.6 million from the previous fiscal year, primarily due to an increase in property taxes and increased activity in the planning & building department. General fund expenditures of \$5.8 million increased by \$0.75 million over the previous fiscal year, which is primarily due to the City’s \$1 million payment from reserves towards the unfunded pension liability.

Capital Lease increase of \$2.6 million represents the lease-leaseback pension debt restructuring that partially funded the \$3.6 million unfunded pension liability paydown referenced above.

Net transfers out of \$1,238,000 consist of transfers out for capital improvement and equipment replacement (\$637,508), and fire protection (\$600,920).

The General Fund balance at fiscal year-end was \$3.8 million consisting of non-spendable (\$293,304), assigned (\$2,771,480) and \$778,944 that was unassigned.

Other Major Funds - Fire Protection Fund

Revenues in the Fire Protection Fund, which were generated from a Citywide Parcel Tax, were \$853,108, an increase of \$27,284 over the previous fiscal year. Expenses were \$1,454,028, a decrease of \$119,275 over the previous year, due to a prior period adjustment accounted for during this year.

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, 2019 are anticipated to decrease by about 1% over the June 30, 2018 revenues. The change is due primarily to revenue received in fiscal year 2017-18 but not expected in fiscal year 2018-19 from the following sources: a substantial CTL penalty; revenue from the Tiburon Police Department; and grant funds and donations received in fiscal year 2017-18 but not anticipated for fiscal year 2018-19.

Fire Protection Fund revenue will increase by \$32,992, the amount permitted by the Proposition 4 Limitation Factor. Expenditures are estimated to increase by \$194,166, as the City does not anticipate a significant prior period adjustment in fiscal year 2018-19 as was received in fiscal year 2017-18.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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
Administrative Services Manager

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<p style="text-align: center;">STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</p>

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, all its deferred inflows/outflows of resources and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents information in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds that present the financial position of the primary government. This column is followed by a column that displays the discretely presented component unit.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities or discretely presented component unit and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Belvedere Public Financing Authority.

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CITY OF BELVEDERE
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 3)	\$4,666,259
Accounts and interest receivable	321,992
Prepays and deposits	425,841
Capital assets (Note 5):	
Depreciable, net of accumulated depreciation	6,069,846
Total Assets	11,483,938
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related (Note 8)	2,880,155
OPEB-related (Note 9)	36,000
Total Deferred Outflows of Resources	2,916,155
LIABILITIES	
Accounts payable and other liabilities	302,761
Refundable deposits	402,911
Compensated absences (Note 1K):	
Due within one year	27,475
Due in more than one year	247,280
Bonds payable (Note 6):	
Due within one year	140,000
Due in more than one year	2,455,000
Collective net pension liability, due in more than one year (Note 8)	4,645,998
Net OPEB Liability, due in more than one year (Note 9)	1,229,000
Total Liabilities	9,450,425
DEFERRED INFLOWS OF RESOURCES	
Pension-related (Note 8)	1,618,555
OPEB-related (Note 9)	97,000
Total Deferred Inflows of Resources	1,715,555
NET POSITION (Note 7)	
Net investment in capital assets	6,069,846
Restricted for road projects	395,508
Unrestricted	(3,231,241)
Total Net Position	\$3,234,113

See accompanying notes to basic financial statements

**CITY OF BELVEDERE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants	
Primary Government:					
Governmental Activities:					
General government	\$676,830	\$22,246			(\$654,584)
Public safety:					
Police services	1,667,604	124,752			(1,542,852)
Fire services	1,454,028				(1,454,028)
Planning and development	1,047,057	1,024,348			(22,709)
Public works	1,498,256	322,032	\$10,143	\$131,058	(1,035,023)
Recreation	52,364				(52,364)
Non-departmental	3,946,407				(3,946,407)
Library	737,549				(737,549)
Interest on long-term debt	114,535				(114,535)
Total Governmental Activities	<u>\$11,194,630</u>	<u>\$1,493,378</u>	<u>\$10,143</u>	<u>\$131,058</u>	<u>(9,560,051)</u>
General revenues:					
Taxes:					
Property taxes					6,129,401
Other taxes					199,533
Use of money and property					84,183
Intergovernmental					1,031,653
Franchise taxes					188,760
Miscellaneous					80,777
Total General Revenues					<u>7,714,307</u>
Change in Net Position					(1,845,744)
Net Position-Beginning, as restated (Note 1Q)					<u>5,079,857</u>
Net Position-Ending					<u>\$3,234,113</u>

See accompanying notes to basic financial statements

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City for fiscal 2018. Individual non-major funds may be found in the Supplemental Section.

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**CITY OF BELVEDERE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Fire Protection Fund	General Capital Improvements	2017 Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 3)	\$3,850,031		\$674,388		\$141,840	\$4,666,259
Accounts receivable, net	185,603	\$5,557	122,057		8,775	321,992
Due from other funds (Note 4A)	142,952					142,952
Prepaid items and other current assets	293,304	132,537				425,841
Total Assets	<u>\$4,471,890</u>	<u>\$138,094</u>	<u>\$796,445</u>		<u>\$150,615</u>	<u>\$5,557,044</u>
LIABILITIES						
Accounts payable and other liabilities	\$225,251		\$73,593		\$3,917	\$302,761
Due to other funds (Note 4A)		\$138,094			4,858	142,952
Refundable deposits	402,911					402,911
Total Liabilities	<u>628,162</u>	<u>138,094</u>	<u>73,593</u>		<u>8,775</u>	<u>848,624</u>
FUND BALANCES (Note 7)						
Nonspendable	293,304					293,304
Restricted			395,508			395,508
Committed						
Assigned	2,771,480		327,344		141,840	3,240,664
Unassigned	778,944					778,944
Total Fund Balances	<u>3,843,728</u>		<u>722,852</u>		<u>141,840</u>	<u>4,708,420</u>
Total Liabilities and Fund Balances	<u>\$4,471,890</u>	<u>\$138,094</u>	<u>\$796,445</u>		<u>\$150,615</u>	<u>\$5,557,044</u>

See accompanying notes to basic financial statements

CITY OF BELVEDERE

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

JUNE 30, 2018

Total Fund Balances - Governmental Funds Balance Sheet \$4,708,420

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet. 6,069,846

DEFERRED INFLOWS AND OUTFLOWS

Deferred outflows related to pension 2,880,155
Deferred outflows related to OPEB 36,000
Deferred inflows related to pension (1,618,555)
Deferred inflows related to OPEB (97,000)

LONG-TERM LIABILITIES

Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Funds Balance Sheet.

Compensated absences (274,755)
Bonds payable (2,595,000)
Net OPEB liability (1,229,000)
Net pension liability (4,645,998)

Net Position of Governmental Activities \$3,234,113

See accompanying notes to basic financial statements.

**CITY OF BELVEDERE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Fire Protection Fund	General Capital Improvements	2017 Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$5,276,293	\$853,108				\$6,129,401
Other taxes	199,533					199,533
Licenses and permits	585,449					585,449
Fines and forfeitures	152,589					152,589
Use of money/property	78,552		\$5,155		\$476	84,183
Intergovernmental revenues	168,053		189,214		815,587	1,172,854
Charges for services	532,590		222,750			755,340
Franchise fees	188,760					188,760
Other revenues	80,777					80,777
Total Revenues	<u>7,262,596</u>	<u>853,108</u>	<u>417,119</u>		<u>816,063</u>	<u>9,348,886</u>
EXPENDITURES						
Current:						
General government	764,731					764,731
Public safety:						
Police	1,730,073					1,730,073
Fire		1,454,028				1,454,028
Planning & development	1,012,727					1,012,727
Public works	923,184					923,184
Recreation (The Ranch)	52,364					52,364
Non-Departmental	1,346,407			\$2,600,000		3,946,407
Library					737,549	737,549
Debt service:						
Principal				60,000		60,000
Interest and fiscal charges				114,535		114,535
Capital outlay			562,421		83,189	645,610
Total Expenditures	<u>5,829,486</u>	<u>1,454,028</u>	<u>562,421</u>	<u>2,774,535</u>	<u>820,738</u>	<u>11,441,208</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,433,110</u>	<u>(600,920)</u>	<u>(145,302)</u>	<u>(2,774,535)</u>	<u>(4,675)</u>	<u>(2,092,322)</u>
OTHER FINANCING SOURCES (USES)						
Lease revenue bonds issued (Note 6)				2,655,000		2,655,000
Transfers in (Note 4B)		600,920	487,915	119,535	95,144	1,303,514
Transfers (out) (Note 4B)	(1,238,428)				(65,086)	(1,303,514)
Total Other Financing Sources (Uses)	<u>(1,238,428)</u>	<u>600,920</u>	<u>487,915</u>	<u>2,774,535</u>	<u>30,058</u>	<u>2,655,000</u>
NET CHANGES IN FUND BALANCES	194,682		342,613		25,383	562,678
BEGINNING FUND BALANCES	<u>3,649,046</u>		<u>380,239</u>		<u>116,457</u>	<u>4,145,742</u>
ENDING FUND BALANCES	<u>\$3,843,728</u>		<u>\$722,852</u>		<u>\$141,840</u>	<u>\$4,708,420</u>

See accompanying notes to basic financial statements

CITY OF BELVEDERE

**RECONCILIATION OF THE GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES AND CHANGES IN NET POSITION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net changes in fund balances - total governmental funds	\$562,678
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Amounts reported for Governmental Activities in the Statement of Activities and Changes in Net Position are different because:

CAPITAL ASSETS TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capitalized expenditures are therefore added back to fund balance	431,669
Depreciation expense is deducted from fund balance	(519,748)

LONG-TERM DEBT TRANSACTIONS

Issue of lease revenue bond is deducted from fund balance	(2,655,000)
Repayment of capital lease principal is added back to fund balance	60,000

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	(33,728)
Net OPEB liability and deferred outflows/inflows related to OPEB	(16,000)
Net pension liability and deferred outflows/inflows related to pension	324,385

Total Changes in Net Position of Governmental Activities	<u><u>(\$1,845,744)</u></u>
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See accompanying notes to basic financial statements.

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

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CITY OF BELVEDERE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds
ASSETS:	
Cash and investments:	
Redemption fund	\$472,754
Reserve fund	33,704
Other receivable	6,335
Total Assets	\$512,793
LIABILITIES:	
Accounts payable	\$21,529
Due to special assessment districts	491,264
Total Liabilities	\$512,793

See accompanying notes to basic financial statements

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CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

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, 2018, 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, deferred inflows/outflows of resources, 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 for the City. 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.

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 regard to interfund activities, payables and receivables.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2018.

The major governmental funds of the City are:

- **General Fund** – The General Fund is used to account for the resources to carry out basic governmental activities of the City such as general government, public safety, public works, and parks and recreation, which are not required to be accounted for in another fund.
- **Fire Protection Fund** - This fund was established to receive and expend revenue from Measure C, the fire and emergency services special tax levy. This revenue, along with transfers from other funds, funds the cost of services provided by the Tiburon Fire Protection District.
- **General Capital Improvements** – This fund accounts for most capital improvement projects in the City that have various funding sources. Revenues received from various sources are used for related project costs.
- **2017 Lease Revenue Bonds** – This fund was established to account for the receipt of advance capital lease rental payments, and debt service due on the lease revenue bonds.

E. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position. The City's fiduciary funds represent agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Agency Funds – These funds were created to account for all of the Assessment District Bonds. Special assessments received are used to meet the debt service requirements and to pay for the administrative costs.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, and 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 investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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 applies all Government Accounting Standards Board (GASB) pronouncements (including all NCGA Statements and Interpretations in effect).

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Balances

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).

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. 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 \$5,000. 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. 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); Furniture and Equipment (3-20 years); and Infrastructure (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 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).

**CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences for governmental activities are primarily liquidated by the General Fund. The change in compensated absences was as follows:

Beginning Balance	\$241,027
Additions	61,985
Payments	<u>(28,257)</u>
Ending Balance	<u>\$274,755</u>
Current Portion	<u>\$27,475</u>

L. Unearned Revenue

Government-Wide Financial Statements – Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are unearned grants and prepaid charges for services.

Fund Financial Statements – Unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants received but not yet earned or available, interest on interfund advances receivable and long-term loans receivable.

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. 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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category related to pensions and OPEB as discussed in Notes 8 and 9.

In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pensions and OPEB on the statement of net position as discussed in Notes 8 and 9. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Net Position Restatement

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with postemployment benefits other than pensions by requiring recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense.

The implementation of the Statement required the City to make prior period adjustments. As a result, the beginning net position of the Governmental Activities was restated and reduced by \$813,272. See Note 9 for further details.

R. New and Closed Funds

During prior fiscal year ended June 30, 2017, the City closed the Agency funds for the following assessment districts: Upper Beach Road; Madrona, Bella Vista and Oak; San Rafael; Lower Belvedere; Bayview/Bella Vista; Mid San Rafael Avenue; and Pine Avenue.

During fiscal year 2017-18, the City established the 2017 Lease Revenue Bond Debt Service Fund to account for the proceeds and repayment of the capital lease revenue bonds, which were acquired to restructure the City's unfunded pension liability with CalPERS.

S. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement required the restatement of net position and additional footnote disclosures as noted in Note 1Q and Note 9.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement had no significant effect on the financial statements.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement had no significant effect on the financial statements.

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve 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. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement had no significant effect on the financial statements.

NOTE 2 – BUDGETS

A. Budget Policy

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.

With the exception of Capital and Equipment budget which are budgeted by project, 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
For The Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City’s name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of debt instruments or agency agreements.

Governmental Activities	
Cash and investments	\$4,666,259
Fiduciary Funds	
Redemption fund	472,754
Reserve fund	33,704
Total Fiduciary Cash and Investments	506,458
Total Cash and Investments	\$5,172,717

C. Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy is more restrictive.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City's investment policy allows the following investments:

Investment Type	Maximum Maturity	Maximum % of Portfolio	Quality Requirements
U.S. Treasury Obligations	5 years	None	None
State and Local Agency Obligations	5 years	None	None
Commercial Paper	180	30%	A 1/P1 rating
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Funds	N/A	20%	Multiple
State Local Agency Investment Fund (LAIF)	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that potential future changes in market interest rates will adversely affect the fair market value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the investments by maturity or earliest call date:

Investment Type	12 Months or less	Total
California Local Agency Investment Fund	\$4,773,954	\$4,773,954
Total Investments	<u>\$4,773,954</u>	4,773,954
Cash in banks and on hand		<u>398,763</u>
Total Cash and Investments		<u>\$5,172,717</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the authority of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission as an investment company. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2018 the average maturity was 193 days.

**CITY OF BELVEDERE, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 For The Year Ended June 30, 2018**

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The California Local Agency Investment Fund is not rated.

F. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The California Local Agency Investment Fund, reported at amortized cost, is not subject to the fair value reporting requirements. Fair value is defined as the quoted market value on the last trading day of the period.

NOTE 4 – INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2018, current interfund balances are as follows:

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Fire Protection Special Revenue Fund	\$138,094
	Gas Tax Special Revenue Fund	4,858
	Total	\$142,952

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers In/Out for the year ended June 30, 2018 were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>	
General Fund	Fire Protection Special Revenue Fund	\$600,920	(A)
	General Capital Improvements Capital Projects Fund	422,829	(A)
	Equipment Replacement Capital Projects Fund	95,144	(A)
	2017 Lease Revenue Bonds	119,535	(B)
Gas Tax Special Revenue Fund	General Capital Improvements Capital Projects Fund	<u>65,086</u>	(C)
	Total	<u><u>\$1,303,514</u></u>	

(A) To cover fund deficits.

(B) To cover debt service payments.

(C) To fund eligible projects.

NOTE 5 – 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.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 5 – CAPITAL ASSETS (Continued)

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

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Governmental Activities				
Depreciable Capital Assets:				
City Hall & Community Center				
Buildings and building improvements	\$3,493,494	\$6,715		\$3,500,209
Corporation yard improvements	265,251	7,600		272,851
Office furniture & equipment	207,248	8,264		215,512
Transportation/other- Yard	379,138			379,138
Transportation/other- Police	217,643	10,583		228,226
Infrastructure	6,669,736	398,507		7,068,243
	<u>11,232,510</u>	<u>431,669</u>		<u>11,664,179</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
City Hall & Community Center				
Buildings and building improvements	2,004,291	116,372		2,120,663
Corporation yard improvements	159,613	10,323		169,936
Office furniture & equipment	84,087	2,925		87,012
Transportation/other- Yard	275,584	19,194		294,778
Transportation/other- Police	124,004	25,900		149,904
Infrastructure	2,427,006	345,034		2,772,040
	<u>5,074,585</u>	<u>519,748</u>		<u>5,594,333</u>
Total accumulated depreciation				
Net depreciable assets	<u>6,157,925</u>	<u>(88,079)</u>		<u>6,069,846</u>
Governmental activities capital assets, net	<u>\$6,157,925</u>	<u>(\$88,079)</u>		<u>\$6,069,846</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental Activities	
General Government	\$32,018
Police	54,993
Planning & Building	29,093
Public Works	29,517
Community Center (General Government)	29,093
Infrastructure (Public Works)	345,034
Total Governmental Activities	\$519,748

NOTE 6 – LONG-TERM DEBT

A. City Debt

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Retirements	Balance at June 30, 2018	Due Within One Year	Due in More Than One Year
2017 Lease Revenue Bonds, due 09/01/32		\$2,655,000	\$60,000	\$2,595,000	\$140,000	\$2,455,000

In August 2017, the City entered into a site and facility lease with the Belvedere Public Financing Authority (Authority) whereby the City leased its corporation yard and adjacent parking lot to the Authority, and the Authority, in turn, leased the property back to the City where the City agreed to make semi-annual lease payments to the Authority. The Authority subsequently assigned the lease to ZB, National Association (Purchaser). The Purchasers paid the Authority \$2,655,000 which the Authority remitted to the City as an advance rental on the lease agreement, for the City to use to refinance a portion of its unfunded actuarial accrued liability with respect to the City's pension obligations, and to pay for costs related to the preparation, execution and delivery of the lease agreement, site and facility lease and the assignment agreement.

Using the proceeds from the capital lease, the City remitted \$2,600,000 to the California Public Employees' Retirement System (CalPERS) in payment of the pension obligations, and the remaining \$55,000 was used to pay costs of issuance. The lease revenue bonds accrue interest at 4.460% per annum, and principal and interest payments are due semi-annually on March 1 and September 1, through September 1, 2032, and are payable from general funds of the City.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 6 – LONG-TERM DEBT (Continued)

Debt service requirements are shown below for the bonds:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$140,000	\$114,175	\$254,175
2020	130,000	108,044	238,044
2021	145,000	102,021	247,021
2022	155,000	95,556	250,556
2023	155,000	88,643	243,643
2024-2028	890,000	331,602	1,221,602
2029-2033	980,000	112,616	1,092,616
Total	<u>\$2,595,000</u>	<u>\$952,657</u>	<u>\$3,547,657</u>

B. 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 (Upper Beach Road; Madrona, Bella Vista and Oak; San Rafael; Lower Belvedere; Bayview/Bella Vista Avenues; Mid San Rafael Avenue; and Pine Avenue) 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 refinanced consolidated debt:

	<u>Balance at June 30, 2017</u>	<u>Retirements</u>	<u>Balance at June 30, 2018</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
2016 Revenue Bonds, due serially to 2043	<u>\$9,140,000</u>	<u>(\$360,000)</u>	<u>\$8,780,000</u>	<u>\$380,000</u>	<u>\$8,400,000</u>

2016 Underground Assessment District – 2016 Revenue Bonds: 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 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 districts of \$9,011,209, plus fees pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds. The revenue bonds bear annual interest ranging from 0.75% to 3.05%, and are due semi-annually commencing March 2, 2017. Principal payments are due annually on September 2 until they mature on September 2, 2034.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 7 – NET POSITION AND FUND BALANCES

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1.

A. 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.”

B. Fund Balances

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.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 7 – FUND BALANCE (Continued)

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.

C. 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.

D. 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.

E. Investment Earnings

Investment earnings follow the classification of the revenues invested.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 7 – FUND BALANCE (Continued)

F. 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, 2018, the amount in reserve is \$2.7 million, which complies with this policy.

G. Fund Balance Classifications

Fund balances classifications at June 30, 2018 were:

	General Fund	Fire Protection Fund	General Capital Improvements	2017 Lease Revenue Bonds	Non-Major Other Funds	Total
Nonspendable						
Prepaid Items	\$293,304					\$293,304
Total Nonspendable	<u>293,304</u>					<u>293,304</u>
Restricted:						
Street Maintenance			\$395,508			395,508
Total Restricted			<u>395,508</u>			<u>395,508</u>
Assigned:						
General Fund Reserve	2,715,201					2,715,201
Insurance Reserve	56,279					56,279
Capital Projects			327,344			327,344
Computer Replacement					\$141,840	141,840
Total Assigned	<u>2,771,480</u>		<u>327,344</u>		<u>141,840</u>	<u>3,240,664</u>
Unassigned						
	778,944					778,944
	<u>\$3,843,728</u>		<u>\$722,852</u>		<u>\$141,840</u>	<u>\$4,708,420</u>

NOTE 8 – PENSION PLANS

A. Plan Descriptions and Summary of Balances by Plan

Plan Descriptions – The City has three defined benefit pension plans, a Miscellaneous Plan, a Safety (Police) Plan, and a Retirement Enhancement Plan (REP). The Miscellaneous Plan and the Safety Plan are Cost-Sharing Multiple Employer Plans administered by the California Public Employees’ Retirement System (CalPERS). The Retirement Enhancement Plan is an Agent-Multiple Employer Plan administered by the Public Agency Retirement System (PARS). Benefit provisions under the Plans are established by State statute and City Ordinance. The PARS Plan is closed to new participants.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

CalPERS Plans - 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.

PARS Retirement Enhancement Plan (“REP”) – This plan 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.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office or PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

Plan	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
CalPERS Plans:			
Miscellaneous	\$1,328,432	\$2,698,048	\$1,544,816
Safety - Police	1,519,179	1,772,636	61,505
PARS Retirement Enhancement Plan	32,544	175,314	12,234
	<u>\$2,880,155</u>	<u>\$4,645,998</u>	<u>\$1,618,555</u>

Pension liabilities are liquidated by the funds that have recorded the liability. The long-term portion of the governmental activities pension liabilities are liquidated primarily by the General Fund.

Each Plan is discussed in detail below.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

B. CalPERS Plans (Miscellaneous and Safety)

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 contribution requirements of plan members are established by State statute and the employer contribution is established and may be amended by CalPERS.

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	<u>Classic (A)</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	8.921%	6.533%
	Safety	
	<u>Classic (A)</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	14.971%	11.990%

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	Employer Contributions
CalPERS:	
Miscellaneous	\$110,838
Safety	114,373
	\$225,211

It should be noted that the City paid \$3,600,000 towards the CalPERS unfunded pension liability in August 2017. While this payment took place within the fiscal year covered by this financial statement, the valuation of the pension plan took place as of June 30, 2017 and does not reflect this payment.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2018, 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
Miscellaneous	\$2,698,048
Safety	1,772,636
Total Net Pension Liability	\$4,470,684

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

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, 2017, 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, 2016 rolled forward to June 30, 2017 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 2017 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.40834%
Proportion - June 30, 2017	<u>0.06844%</u>
Change - Increase (Decrease)	<u><u>-0.33990%</u></u>
	<u>Safety</u>
Proportion - June 30, 2016	0.39944%
Proportion - June 30, 2017	<u>0.02967%</u>
Change - Increase (Decrease)	<u><u>-0.36977%</u></u>

For the year ended June 30, 2018, the City recognized pension expense of \$304,075.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$110,838	
Differences between actual and expected experience	4,203	(\$60,217)
Changes in assumptions	521,503	(39,765)
Net differences between projected and actual earnings on plan investments	117,942	
Net difference in actual contribution and proportion contributions		(296,967)
Adjustment due to differences in proportions	<u>573,946</u>	<u>(1,147,867)</u>
Total	<u><u>\$1,328,432</u></u>	<u><u>(\$1,544,816)</u></u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

\$110,838 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, 2019. 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	Annual Amortization
2019	(\$66,243)
2020	(1,991)
2021	(188,964)
2022	(70,025)

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Safety Plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$114,373	
Differences between actual and expected experience	24,528	(\$6,395)
Changes in assumptions	355,712	(27,291)
Net differences between projected and actual earnings on plan investments	77,559	
Net difference in actual contribution and proportion contributions		(27,819)
Adjustment due to differences in proportions	947,007	
Total	\$1,519,179	(\$61,505)

\$114,373 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, 2019. 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	Annual Amortization
2019	\$427,794
2020	556,470
2021	404,418
2022	(45,381)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost in accordance with the requirements of GASB Statement No.68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.75% thereafter

- (1) 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 2014 experience study report available on CalPERS website.

Changes of assumptions – GASB 68, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.15% used for the June 30, 2017 measurement date is without reduction of pension plan administrative expense.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15% 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.

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, CalPERS 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.

Expected Changes in Discount and Contribution Rates – In December 2016, CalPERS’ Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers’ normal costs and unfunded actuarial liabilities.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
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.

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 7.15%, 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	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$4,417,069	\$2,947,759	\$7,364,828
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$2,698,048	\$1,772,636	\$4,470,684
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$1,274,323	\$812,031	\$2,086,354

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

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

C. PARS Retirement Enhancement Plan (REP)

Benefits Provided - Effective July 1, 2003, the City contracted with the Public Agency Retirement System (PARS) to sponsor a supplemental Retirement Enhancement Plan created in accordance with IRC Section 401(a), which is a qualified defined benefit pension plan covering all eligible employees of the City. 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. The Plan was closed to new participants effective January 1, 2012. The REP provides a benefit equal to 0.5% of final average compensation for all service while employed at the City of Belvedere.

Contributions – The City makes all contributions necessary to fund the benefits available under the REP. Employees are not permitted to make any contributions. Contributions during the fiscal year ended June 30, 2018 totaled \$30,305.

Net Pension Liability - The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017 using an annual actuarial valuation. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liability was determined using an actuarial valuation as of that date. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

	PARS REP
Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for employees with an entry age of 30
Mortality	Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans. Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.
Post Retirement Benefit Increase	Tier I: The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS Pension Plans "2.5% at age 55." The rates used are those for retirees with 20 years of service. Tier II: The retirement rates are consistent with those used to value Public Agency CalPERS Pension Plans "3.0% at age 50." The rates used are those for retirees with 25 years of service.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 6.50%. The Plan's long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation based upon the investment of all assets in PARS' diversified Moderately Conservative portfolio.

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan as of the June 30, 2018 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2017	<u>\$726,844</u>	<u>\$584,240</u>	<u>\$142,604</u>
Changes in the year:			
Service cost	22,887		22,887
Interest on the total pension liability	51,821		51,821
Effect of economic/demographic gains or losses	(13,640)		(13,640)
Effect of assumptions changes or inputs	42,116		42,116
Benefit payments	(19,173)	(19,173)	
Contributions - employer		30,305	(30,305)
Net investment income		43,289	(43,289)
Administrative expenses		(3,120)	3,120
Net changes	<u>84,011</u>	<u>51,301</u>	<u>32,710</u>
Balance at June 30, 2018	<u><u>\$810,855</u></u>	<u><u>\$635,541</u></u>	<u><u>\$175,314</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's 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:

	PARS REP
1% Decrease	5.50%
Net Pension Liability	\$285,174
Current Discount Rate	6.50%
Net Pension Liability	\$175,314
1% Increase	7.50%
Net Pension Liability	\$78,562

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

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

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	3.40%	0.31%	0.31%
Core Fixed Income	36.36%	2.14%	2.02%
US Equity Market	43.82%	4.59%	3.32%
Foreign Developed Equity	10.45%	5.52%	3.91%
Emerging Markets Equity	4.33%	7.82%	4.59%
US REITs	1.64%	5.04%	3.27%
Total	<u>100%</u>		

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2018, the City recognized pension expense of \$42,705 for the Plan. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 8 – PENSION PLANS (Continued)

	PARS REP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience		(\$10,540)
Changes in assumptions	\$32,544	
Net differences between projected and actual earnings on plan investments		(1,694)
Total	\$32,544	(\$12,234)

\$32,544 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, 2019. 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	Annual Amortization
2019	\$6,049
2020	6,049
2021	6,049
2022	2,163

**CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018**

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan

Plan Description – The City’s Post Employment Benefit Plan is a single-employer plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided –The following is a summary of Plan benefits by employee group as of June 30, 2018:

	<u>Miscellaneous</u>	<u>Safety</u>
Eligibility:		
Age & Service Retirement	50 & 5 years CalPERS service	50 & 5 years CalPERS service
Industrial Disability Retirement	Yes	Yes
Duty Death	Yes	Yes
Health Benefit Plan:		
Employee only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only
Employee + one dependent	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only
Employee + two or more dependents	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only
Surviving Spouse of Retiree	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only	Premium for Kaiser Permanente or Public Employee's Medical Hospital Care Act (PEMHCA) minimum only

Note: PEMHCA Minimum Rate: \$133.00/month as of 2018

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

	Count
Inactive employees currently receiving benefits	9
Inactive employees entitled to benefit payments	5
Active employees	20
Total	34

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2017 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward using standard update procedures to determine the \$1,229,000 total OPEB liability as of June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	Miscellaneous
Actuarial Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.58%
Inflation Rate	2.75%
Payroll Growth	3.00%
Mortality, Retirement, Disability & Termination Rate	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Healthcare Cost Trend Rate	Non-Medicare: 7.5% for 2019, and trending down to an ultimate rate of 4% in 2076 and beyond Medicare: 6.5% in 2019, trending down to 4% in 2076 and beyond PEMHCA minimum: increase by 4.25% annually after 2019

The discount rate was based on the Bond Buyer 20 Index.

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a June 30, 2017 actuarial experience study for the period July 1, 2016 to June 30, 2017.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2017	\$1,274,000
Changes for the year:	
Service Cost	72,000
Interest on the Total OPEB Liability	38,000
Differences between Expected and Actual Experience	-
Assumption changes	(126,000)
Contributions	
Employer	-
Employee	-
Net Investment Income	-
Benefit payments	(29,000)
Administrative Expense	-
Net changes	(\$45,000)
Balance at June 30, 2018	\$1,229,000

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

1% Decrease	2.58%
Net OPEB Liability	\$1,407,000
Current Discount Rate	3.58%
Net OPEB Liability	\$1,229,000
1% Increase	4.58%
Net OPEB Liability	\$1,084,000

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0%) or 1-percentage-point higher (9%) than the current healthcare cost trend rates:

1% Decrease	7.00%
Net OPEB Liability	\$1,072,000
Trend Rate	8.00%
Net Pension Liability	\$1,229,000
1% Increase	9.00%
Net Pension Liability	\$1,423,000

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$81,000. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		(\$97,000)
Employer contributions made subsequent to the measurement date	\$36,000	
Total	\$36,000	(\$97,000)

\$36,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Fiscal Year Ended June 30	Annual Amorization
2019	(\$29,000)
2020	(29,000)
2021	(29,000)
2022	(10,000)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 10 – JOINT VENTURES AND POOLS

A. *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 Financing 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.

B. *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, 2018 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 (\$737,549 for fiscal 2018), 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, 2018 for the Agency is presented below:

Total Assets	\$8,581,845
Total Capital Assets	4,424,632
Total Deferred Outflows	473,557
Total Liabilities	(2,356,639)
Total Deferred Inflows	(60,898)
Net Position	6,637,865
Total Program Expenses	(2,664,283)
Total Program Revenues	296,951
Total General Revenues	2,572,484
Increase in Net Position	205,152

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018

NOTE 10 – JOINT VENTURES AND POOLS (Continued)

C. 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.

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.

Amounts of settlements did not exceed insurance coverage for the last three years.

D. Marin Emergency Radio Authority (MERA)

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.

E. County of Marin

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

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

450 San Rafael Avenue
Belvedere, California 94920

**CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2018**

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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



— CITY OF BELVEDERE, CALIFORNIA —

REQUIRED SUPPLEMENTARY INFORMATION

SECTION

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CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 5,234,952	\$ 5,199,091	\$5,276,293	\$77,202
Other taxes	155,000	221,000	199,533	(21,467)
Licenses and permits	426,500	420,500	585,449	164,949
Fines and forfeitures	21,000	152,457	152,589	132
Use of money/property	50,524	50,524	78,552	28,028
Intergovernmental revenues	122,900	123,800	168,053	44,253
Charges for services	445,292	418,292	532,590	114,298
Franchise fees	173,500	173,500	188,760	15,260
Other revenues	32,000	57,000	80,777	23,777
Total revenues	<u>6,661,668</u>	<u>6,816,164</u>	<u>7,262,596</u>	<u>446,432</u>
Expenditures				
Current:				
General Government	731,087	769,995	764,731	5,264
Public safety:				
Police	1,773,937	1,803,937	1,730,073	73,864
Planning & development	1,118,837	1,118,835	1,012,727	106,108
Public works	906,080	921,080	923,184	(2,104)
Recreation (The Ranch)	56,956	56,956	52,364	4,592
Non-Departmental	391,724	1,400,274	1,346,407	53,867
Total Expenditures	<u>4,978,621</u>	<u>6,071,077</u>	<u>5,829,486</u>	<u>241,591</u>
Excess of revenues over (under) expenditures	<u>1,683,047</u>	<u>745,087</u>	<u>1,433,110</u>	<u>688,023</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(2,259,000)</u>	<u>(2,259,000)</u>	<u>(1,238,428)</u>	<u>1,020,572</u>
Total other financing sources (uses)	<u>(2,259,000)</u>	<u>(2,259,000)</u>	<u>(1,238,428)</u>	<u>1,020,572</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$575,953)</u></u>	<u><u>(\$1,513,913)</u></u>	194,682	<u><u>\$1,708,595</u></u>
FUND BALANCE AT BEGINNING OF YEAR			<u>3,649,046</u>	
FUND BALANCE AT END OF YEAR			<u><u>\$3,843,728</u></u>	

CITY OF BELVEDERE

**BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	<u>\$856,941</u>	<u>\$856,941</u>	<u>\$853,108</u>	<u>(\$3,833)</u>
Total revenues	<u>856,941</u>	<u>856,941</u>	<u>853,108</u>	<u>(3,833)</u>
Expenditures				
Current				
Public safety:				
Fire	<u>1,645,238</u>	<u>1,455,834</u>	<u>1,454,028</u>	<u>1,806</u>
Total expenditures	<u>1,645,238</u>	<u>1,455,834</u>	<u>1,454,028</u>	<u>1,806</u>
Excess of revenues over (under) expenditures	<u>(788,297)</u>	<u>(598,893)</u>	<u>(600,920)</u>	<u>(2,027)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>788,387</u>	<u>788,387</u>	<u>600,920</u>	<u>(187,467)</u>
Total other financing sources (uses)	<u>788,387</u>	<u>788,387</u>	<u>600,920</u>	<u>(187,467)</u>
NET CHANGE IN FUND BALANCE	<u>\$90</u>	<u>\$189,494</u>		<u>(\$189,494)</u>
FUND BALANCE AT BEGINNING OF YEAR			<u> </u>	
FUND BALANCE AT END OF YEAR			<u> </u>	

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
REQUIRED SUPPLEMENTARY INFORMATION**

Miscellaneous and Safety Cost-Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*

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

Measurement Date	Miscellaneous Plan				Safety Plan			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's proportion of the Net Pension Liability (Asset)	0.02786%	0.06454%	0.07071%	0.06844%	0.01748%	0.02760%	0.03112%	0.02967%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,733,750	\$1,770,555	\$2,456,235	\$2,698,048	\$1,087,923	\$1,137,147	\$1,611,595	\$1,772,636
Plan's Covered Payroll	\$1,394,430	\$1,413,982	\$1,479,351	\$1,370,946	\$700,977	\$645,791	\$842,368	\$708,177
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	124.33%	125.22%	166.03%	196.80%	155.20%	176.09%	191.32%	250.31%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	79.82%	78.40%	74.06%	73.31%

* Fiscal year 2015 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*

SCHEDULE OF CONTRIBUTIONS AND NOTES TO SCHEDULE

Fiscal Year Ended June 30	Miscellaneous Plan				Safety Plan			
	2015	2016	2017	2018	2015	2016	2017	2018
Contractually required contribution (actuarially determined)	\$149,613	\$180,795	\$162,841	\$110,838	\$131,200	\$147,021	\$190,912	\$114,373
Contributions in relation to the actuarially determined contributions	<u>(149,613)</u>	<u>(180,795)</u>	<u>(162,841)</u>	<u>(110,838)</u>	<u>(131,200)</u>	<u>(147,021)</u>	<u>(190,912)</u>	<u>(114,373)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered-employee payroll	\$1,413,982	\$1,479,351	\$1,370,946	\$1,370,946	\$645,791	\$842,368	\$708,177	\$802,683
Contributions as a percentage of covered-employee payroll	10.58%	12.22%	11.88%	8.08%	20.32%	17.45%	26.96%	14.25%

Notes to Schedule Contributions

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost in accordance with the requirements of GASB Statement No.68
Actual Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation

(2) 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.

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

PARS Retirement Enhance Plan (REP) Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	PARS			
	2015	2016	2017	2018
Actuarially determined contribution	\$44,240	\$37,546	\$32,350	\$30,305
Contribution in relation to the actuarially determined contributions	(44,240)	(37,546)	(32,350)	(30,305)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered Payroll	\$1,436,349	\$1,219,022	\$1,078,340	\$921,592
Net Pension Liability as a percentage of covered payroll	3.08%	3.08%	3.00%	3.29%
Notes to Schedule				
Valuation date	6/30/2014	6/30/2015	6/30/2016	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar of payroll, closed
Remaining amortization period	14 years
Asset valuation method	None
Inflation	2.50%
Salary increases	Consistent with the rates used to value Miscellaneous Public Agency CalPERS Pension Plans for employees with an entry age of 30.
Investment rate of return	6.50%
Payroll growth	2.75%
Retirement	Tier I: The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS Pension Plans "2.5% at age 55." The rates used are those for retirees with 20 years of service. Tier II: The retirement rates are consistent with those used to value Public Agency Police CalPERS Pension Plan "3.0% at age 50." The rates used are those for retirees with 25 years of service.
Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans for both Pre-Retirement & Post-Retirement.

*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the City's Net OPEB Liability and Related Ratios
For the measurement year ending June 30
Last 10 Years*

Measurement Date- June 30	2017
Total OPEB Liability	
Service Cost	\$72,000
Interest	38,000
Differences between actual and expected experience	-
Assumption Changes	(126,000)
Benefit payments including refunds	(29,000)
Changes of benefit terms	-
Net change in total OPEB liability	(45,000)
Total OPEB liability - (beginning of year)	1,274,000
Total OPEB liability - (end of year)	\$1,229,000

Covered Payroll \$2,263,000

Net OPEB liability as percentage of covered-employee payroll 54.31%

Notes to Schedule:

The City adopted GASB 75 for the fiscal year ending June 30, 2018.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

Prepared for City of Belvedere
For the fiscal year ending June 30
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	2018
Actuarially determined contribution	\$1,229,000
Contributions in relation to the actuarially determined contributions	(32,432)
Contribution deficiency (excess)	\$1,196,568
Covered payroll	\$2,263,000
Contributions as a percentage of covered payroll	1.43%

Notes to Schedule

Valuation date: 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percent of pay
Inflation	2.75%
Assumed Rate of Payroll Growth	3.00%
Healthcare trend rates	Non-Medicare: 7.5% for 2019, and trending down to an ultimate rate of 4% in 2076 and beyond
	Medicare: 6.5% in 2019, trending down to 4% in 2076 and beyond
PEMHCA trend rate	4.25% annually after 2019
Retirement Age	Age 50 and 5 years of service
Mortality rate	CalPERS Rates (1)

(1) Mortality rate is based on assumption data of 20 years of projected on-going mortality improvement using Society of Actuaries Scale BB in June 30, 2016, CalPERS actuarial valuation.

* - Fiscal year 2018 was the 1st year of implementation, therefore only one year is shown.



— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

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CITY OF BELVEDERE

**BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Use of money/property			\$5,155	\$5,155
Intergovernmental revenues	\$306,387	\$211,570	189,214	(22,356)
Charges for services	<u>170,000</u>	<u>254,696</u>	<u>222,750</u>	<u>(31,946)</u>
Total revenues	<u>476,387</u>	<u>466,266</u>	<u>417,119</u>	<u>(49,147)</u>
Expenditures				
Capital outlay	<u>1,164,900</u>	<u>787,550</u>	<u>562,421</u>	<u>225,129</u>
Total expenditures	<u>1,164,900</u>	<u>787,550</u>	<u>562,421</u>	<u>225,129</u>
Excess of revenues over (under) expenditures	<u>(688,513)</u>	<u>(321,284)</u>	<u>(145,302)</u>	<u>175,982</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>452,113</u>	<u>452,113</u>	<u>487,915</u>	<u>35,802</u>
Total other financing sources (uses)	<u>452,113</u>	<u>452,113</u>	<u>487,915</u>	<u>35,802</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$236,400)</u></u>	<u><u>\$130,829</u></u>	<u>342,613</u>	<u><u>\$211,784</u></u>
FUND BALANCE AT BEGINNING OF YEAR			<u>380,239</u>	
FUND BALANCE AT END OF YEAR			<u><u>\$722,852</u></u>	

CITY OF BELVEDERE
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2018

	General Fund	SLESF Fund	Insurance Reserve Fund	Total General Fund
ASSETS				
Cash and investments	\$3,794,890	(\$1,138)	\$56,279	\$3,850,031
Accounts receivable, net	184,465	1,138		185,603
Due from other funds	142,952			142,952
Prepaid items and other current assets	293,304			293,304
Total Assets	<u>\$4,415,611</u>		<u>\$56,279</u>	<u>\$4,471,890</u>
LIABILITIES				
Accounts payable and other liabilities	\$225,251			\$225,251
Refundable deposits	402,911			402,911
Total Liabilities	<u>628,162</u>			<u>628,162</u>
FUND BALANCES				
Nonspendable	293,304			293,304
Restricted				
Assigned	2,715,201		56,279	2,771,480
Unassigned	778,944			778,944
Total Fund Balances	<u>3,787,449</u>		<u>56,279</u>	<u>3,843,728</u>
Total Liabilities and Fund Balances	<u>\$4,415,611</u>		<u>\$56,279</u>	<u>\$4,471,890</u>

**CITY OF BELVEDERE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	SLESF Fund	Insurance Reserve Fund	Total General Fund
REVENUES				
Property taxes	\$5,276,293			\$5,276,293
Other taxes	199,533			199,533
Licenses and permits	585,449			585,449
Fines and forfeitures	152,589			152,589
Use of money & property	75,876	\$2,676		78,552
Intergovernmental revenues	23,119	144,934		168,053
Charges for services	532,590			532,590
Franchise fees	188,760			188,760
Other revenues	80,777			80,777
Total Revenues	7,114,986	147,610		7,262,596
EXPENDITURES				
Current:				
General government	764,731			764,731
Public safety:				
Police	1,730,073			1,730,073
Planning & development	1,012,727			1,012,727
Public works	923,184			923,184
Recreation (The Ranch)	52,364			52,364
Non-departmental	1,346,407			1,346,407
Total Expenditures	5,829,486			5,829,486
Excess of revenues over expenditures	1,285,500	147,610		1,433,110
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	249,120			249,120
Transfers to other funds	(1,238,428)	(249,120)		(1,487,548)
Total other financing sources (uses)	(989,308)	(249,120)		(1,238,428)
NET CHANGE IN FUND BALANCES	296,192	(101,510)		194,682
BEGINNING FUND BALANCES	3,491,257	101,510	\$56,279	3,649,046
ENDING FUND BALANCES	\$3,787,449		\$56,279	\$3,843,728

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NON-MAJOR GOVERNMENTAL FUNDS

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**CITY OF BELVEDERE
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Library	Gas Tax	Equipment Replacement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments			\$141,840	\$141,840
Accounts receivable, net	\$3,917	\$4,858		8,775
Total Assets	\$3,917	\$4,858	\$141,840	\$150,615
LIABILITIES				
Accounts payable and other liabilities	\$3,917			\$3,917
Due to other funds		\$4,858		4,858
Total Liabilities	3,917	4,858		8,775
FUND BALANCES				
Assigned			\$141,840	141,840
Total Fund Balances			141,840	141,840
Total Liabilities and Fund Balances	\$3,917	\$4,858	\$141,840	\$150,615

**CITY OF BELVEDERE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Library</u>	<u>Gas Tax</u>	<u>Equipment Replacement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Use of money/property		\$476		\$476
Intergovernmental revenues	<u>\$737,549</u>	<u>64,610</u>	<u>\$13,428</u>	<u>815,587</u>
Total Revenues	<u>737,549</u>	<u>65,086</u>	<u>13,428</u>	<u>816,063</u>
EXPENDITURES				
Current:				
Library	737,549			737,549
Capital outlay			83,189	83,189
Total Expenditures	<u>737,549</u>		<u>83,189</u>	<u>820,738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>65,086</u>	<u>(69,761)</u>	<u>(4,675)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			95,144	95,144
Transfers to other funds		(65,086)		(65,086)
Total other financing sources (uses)		<u>(65,086)</u>	<u>95,144</u>	<u>30,058</u>
NET CHANGE IN FUND BALANCES			25,383	25,383
BEGINNING FUND BALANCES			<u>116,457</u>	<u>116,457</u>
ENDING FUND BALANCES			<u><u>\$141,840</u></u>	<u><u>\$141,840</u></u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final-Positive (Negative)</u>
Revenues			
Use of money/property			
Intergovernmental revenues	\$500	\$13,428	(\$12,928)
Total revenues	<u>500</u>	<u>13,428</u>	<u>(12,928)</u>
Expenditures			
Capital outlay	19,000	83,189	(64,189)
Total expenditures	<u>19,000</u>	<u>83,189</u>	<u>(64,189)</u>
Excess of revenues over (under) expenditures	<u>(18,500)</u>	<u>(69,761)</u>	<u>51,261</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds		95,144	(95,144)
Total other financing sources (uses)		<u>95,144</u>	<u>(95,144)</u>
NET CHANGE IN FUND BALANCE	(18,500)	25,383	146,405
FUND BALANCE AT BEGINNING OF YEAR	<u>116,457</u>	<u>116,457</u>	
FUND BALANCE AT END OF YEAR	<u><u>\$97,957</u></u>	<u><u>\$141,840</u></u>	<u><u>\$146,405</u></u>

CITY OF BELVEDERE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance at July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Corinthian Island Assessment District</u>				
Assets:				
Cash and investments:				
Reserve Fund	\$33,704			\$33,704
Total assets	<u>\$33,704</u>			<u>\$33,704</u>
Liabilities:				
Due to special assessment districts	\$33,704			\$33,704
Total liabilities	<u>\$33,704</u>			<u>\$33,704</u>
<u>2016 Avenue Assessment District</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$426,143	\$46,611		\$472,754
Other receivable	4,807	6,335	\$4,807	6,335
Total assets	<u>\$430,950</u>	<u>\$52,946</u>	<u>\$4,807</u>	<u>\$479,089</u>
Liabilities:				
Accounts payable	\$7,100	\$21,529	\$7,100	\$21,529
Due to special assessment districts	423,850	31,417	(2,293)	457,560
Total liabilities	<u>\$430,950</u>	<u>\$52,946</u>	<u>\$4,807</u>	<u>\$479,089</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments:				
Redemption Fund	\$426,143	\$46,611		\$472,754
Reserve Fund	33,704			33,704
Other receivable	4,807	6,335	\$4,807	6,335
Total assets	<u>\$464,654</u>	<u>\$52,946</u>	<u>\$4,807</u>	<u>\$512,793</u>
Liabilities:				
Accounts payable	\$7,100	\$21,529	\$7,100	\$21,529
Due to special assessment districts	457,554	31,417	(2,293)	491,264
Total liabilities	<u>\$464,654</u>	<u>\$52,946</u>	<u>\$4,807</u>	<u>\$512,793</u>

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. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

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.

Demographic and Economic Information

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.

Operating Information

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.

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,069,846	\$ 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
Restricted	395,508	-	-	-	-	-	-	-	-	-
Unrestricted	(3,231,241)	(708,477)	(660,496)	(1,082,881)	2,228,375	2,748,028	3,434,876	4,479,437	5,287,697	5,587,825
Total governmental activities net position	<u>\$ 3,234,113</u>	<u>\$ 5,449,448</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>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net investment in capital assets	\$ 6,069,846	\$ 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
Restricted	395,508	-	-	-	-	-	-	-	-	-
Unrestricted	(3,231,241)	(708,477)	(660,496)	(1,082,881)	2,228,375	2,748,028	3,434,876	4,479,437	5,287,697	5,587,825
Total primary government net position	<u>\$ 3,234,113</u>	<u>\$ 5,449,448</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>

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									
	<u>2018</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>
Expenses										
Governmental activities:										
General government	\$ 676,830	\$ 984,634	\$ 681,073	\$ 839,551	\$ 1,028,858	\$ 1,238,851	\$ 1,172,786	\$ 898,233	\$ 792,680	\$ 819,409
Public safety	3,121,632	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
Planning and development	1,047,057	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
Public works	1,498,256	879,207	960,194	916,263	1,083,090	873,506	862,370	921,415	902,579	901,726
Recreation (The Ranch)	52,364	82,528	81,833	99,253	74,807	346,405	45,443	42,233	37,561	58,879
Library	737,549	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894	523,063
Non-departmental	3,946,407	637,224	371,348	401,903	-	261,670	231,431	193,232	157,913	136,615
Interest on long-term debt	114,535	-	-	-	-	-	-	-	-	-
Unallocated depreciation expense	-	380,138	310,089	294,135	273,435	-	-	-	-	-
Total governmental activities expenses	<u>11,194,630</u>	<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>
Business-type activities:										
Sewer	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 11,194,630</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189
Public safety	124,752	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300	24,483
Planning and development	1,024,348	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464	607,349
Public works	322,032	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576	218,778
Community Center	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	10,143	-	-	-	-	-	-	-	-	-
Capital grants and contributions	131,058	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	<u>1,634,579</u>	<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>
Business-type activities:										
Charges for services:										
Sewer	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 1,634,579</u>	<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>

City of Belvedere

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net (Expense)/Revenue										
Governmental activities	\$ (9,560,051)	\$ (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)
Total primary government net expense	<u>\$ (9,560,051)</u>	<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>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 6,129,401	\$ 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
Other taxes	200,676	161,677	142,479	115,208	199,457	247,757	850,245	791,767	779,662	786,786
Use of money/property	84,183	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202	137,425
Intergovernmental revenues	1,030,510	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425	749,506
Franchise fees	188,760	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265	116,977
Other	80,777	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045	53,099
Transfers	-	-	-	-	-	107,224	-	83,788	111,504	120,690
Total governmental activities	<u>7,714,307</u>	<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>
Total primary government	<u>\$ 7,714,307</u>	<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>
Change in Net Position										
Governmental activities	\$ (1,845,744)	\$ 215,488	\$ 450,829	\$ 283,830	\$ (620,197)	\$ (773,102)	\$ (273,501)	\$ (567,181)	\$ 158,045	\$ 72,825
Total primary government	<u>\$ (1,845,744)</u>	<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>

Source: City Finance Department

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

	Program Revenues									
	<u>2018</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>
Function/Program										
Governmental activities:										
General government	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603	\$ 18,189
Public safety	124,752	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300	24,483
Planning and development	1,024,348	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464	607,349
Public works	322,032	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576	218,778
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>1,493,378</u>	<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>
Total primary government	<u>\$ 1,493,378</u>	<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>

Source: City Finance Department

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

	Fiscal Year									
	<u>2018</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>
General Fund										
Nonspendable	\$ 293,304	\$ 26,910	\$ 31,422	\$ 16,150	\$ 10,476	\$ 9,923	\$ 413,142	\$ 410,817	\$ 414,848	\$ 405,460
Restricted	-	101,510	98,995	77,808	61,322	53,831	44,372	50,946	36,644	54,645
Committed	-	-	-	-	-	-	-	-	-	-
Assigned*	2,771,480	56,279	257,592	157,592	58,839	-	-	-	-	-
Unassigned	<u>778,944</u>	<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>
Total general fund	<u>\$ 3,843,728</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	395,508	150,000	314,064	307,737	402,903	414,209	375,708	812,854	1,170,749	273,621
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	469,184	346,696	202,340	223,100	49,790	170,271	99,370	573,924	533,540	2,554,221
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 864,692</u>	<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>

* In 2018, the City implemented a new policy to classify the General Fund reserve as assigned.

Source: City Finance Department

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property taxes	\$ 6,129,401	\$ 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
Other taxes	199,533	161,677	142,479	115,208	199,457	247,757	850,245	91,767	779,662	786,786
Licenses and permits	585,449	443,611	453,404	367,059	411,600	442,153	409,990	330,151	333,733	335,539
Fines and forfeitures	152,589	23,123	21,786	368,789	22,925	122,770	232,881	23,073	354,942	67,554
Use of money/property	84,183	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202	137,425
Intergovernmental	1,172,854	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425	749,506
Charges for services	755,340	663,581	641,228	472,098	421,905	465,686	565,677	387,979	476,268	465,705
Franchise fees	188,760	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265	116,977
Other revenues	80,777	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045	53,099
Total revenues	9,348,886	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
Expenditures										
General government	764,731	1,400,066	1,094,516	1,155,569	967,926	1,182,562	1,141,306	844,598	736,715	752,063
Public safety	3,184,101	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
Planning and development	1,012,727	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
Public works	923,184	815,975	828,348	769,864	862,315	756,043	704,076	798,718	773,627	750,275
Community Center	52,364	53,682	53,019	70,380	46,141	317,976	18,294	16,343	12,516	35,564
Non Departmental	3,946,407									
Library	737,549	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894	526,063
Capital outlay	645,610	391,514	478,347	713,514	539,046	418,652	1,301,304	706,654	883,377	1,290,281
Total expenditures	11,441,208	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
Excess of revenues over (under) expenditures	(2,092,322)	705,696	537,475	271,594	(455,431)	(734,479)	(1,027,236)	(1,570,014)	(351,494)	(889,703)
Other Financing Sources (Uses)										
Capital Lease	2,655,000									
Transfers in	1,303,514	931,088	908,952	1,015,062	513,794	717,043	561,178	697,167	805,051	983,932
Transfers out	(1,303,514)	(931,088)	(908,952)	(1,015,062)	(513,794)	(609,819)	(561,178)	(613,379)	(693,547)	(863,241)
Total other financing sources (uses)	2,655,000	-	-	-	-	107,224	-	83,788	111,504	120,691
Net change in fund balances	\$ 562,678	\$ 705,696	\$ 537,475	\$ 271,594	\$ (455,431)	\$ (627,255)	\$ (1,027,236)	\$ (1,486,226)	\$ (239,990)	\$ (769,012)
Debt service as a percentage of noncapital expenditures	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

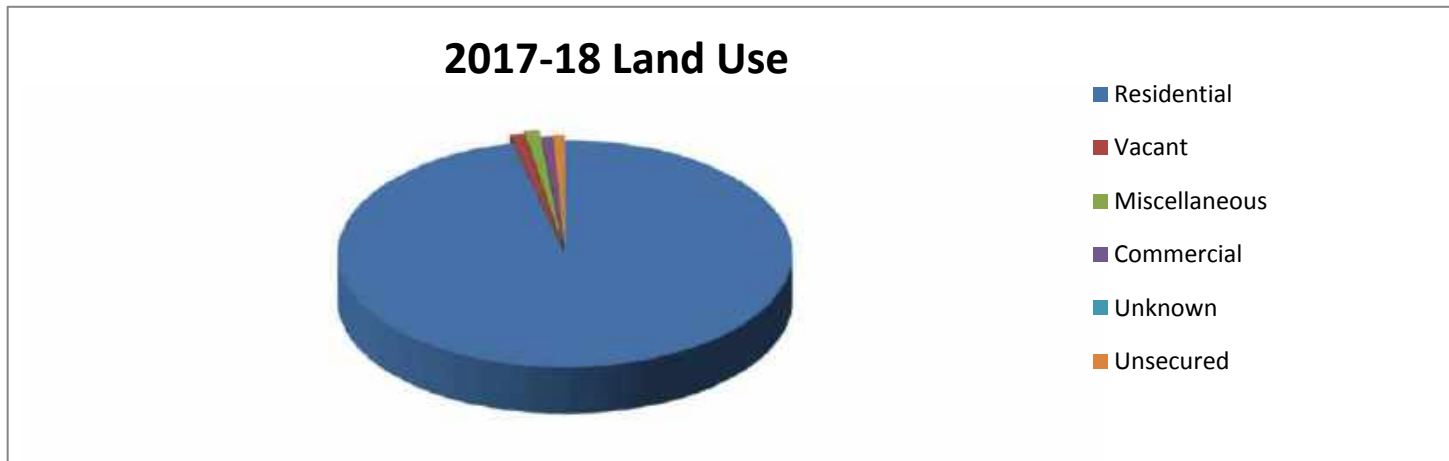
Fiscal Year End	Residential Property	Commercial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)	Value as a Percentage of Actual Value
2011-12	1,485,737,622	12,408,533	33,270,375	17,227,702	4,545,789	1,544,098,443	1.1147	1,922,973,878	1.245370	80.30%
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	73.89%
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	68.64%
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	56.21%
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	72.79%
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	48.80%
2017-18	2,107,497,991	16,613,844	45,023,147	18,413,219	10,965,406	2,176,582,795	1.1152	3,547,311,929	1.629762	61.36%

Source: Marin County Assessor data, Avenu Insights & Analytics

- 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 Seven Fiscal Years

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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	2,107,497,991
Vacant	16,930,139	12,192,997	12,979,676	13,033,407	13,431,328	22,089,668	21,413,425
Miscellaneous	1,298,236	7,603,569	7,751,260	7,504,772	7,540,624	19,758,398	23,607,696
Commercial	12,408,533	12,598,426	12,807,652	12,888,797	13,182,251	13,498,200	16,613,844
Unknown	15,042,000	18,757,000	20,231,500	21,117,416	10,324,956	1,986	2,026
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	2,169,134,982
Unsecured	17,227,702	18,037,450	16,706,550	16,933,816	18,944,702	17,940,291	18,413,219
Less Exemptions	4,545,789	11,197,876	10,871,256	11,124,656	10,787,692	10,858,866	10,965,406
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	2,176,582,795



Source: Marin County Assessor data, Avenu Insights & Analytics
 Use code categories are based on Marin County Assessor's data

City of Belvedere
Direct and Overlapping Property Tax Rates
Last Seven Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Basic City and County Levy							
COUNTY GENERAL FUND	0.185000	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	0.207000
ALL OTHER COUNTY ENTITIES	0.608000	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	1.000000
Override Assessments							
TAM UNION HIGH SCH BONDS							
2001 Series	0.011300	0.005100	0.000000	0.000000	0.000000	0.000000	0.000000
2002 Series	0.000000	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	0.000000
2006 Series	0.017100	0.016700	0.016000	0.014800	0.006300	0.000000	0.000000
2010 Refunding bond	0.012600	0.010200	0.012800	0.011700	0.010600	0.009900	0.009400
MARIN COM COLLEGE	0.017500	0.017800	0.020400	0.018000	0.014700	0.010100	0.028800
REED SCHOOL BONDS 2002	0.024300	0.000000	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	0.000000
REED UNION SCH- 2011 REFUNDING	0.000000	0.029200	0.034000	0.031200	0.029000	0.027200	0.022300
REED UNION SCH- 2012 REFUNDING	0.000000	0.000000	0.006300	0.010700	0.009500	0.009100	0.008600
REED UNION SCH- 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.003500
REED ELEM SCH BD'06	0.014000	0.013400	0.004300	0.000000	0.000000	0.000000	0.000000
TAMALPAIS USHD GO BOND FUND 2011	0.000000	0.005100	0.009800	0.008700	0.008000	0.007100	0.007100
TAMALPAIS UHSD 2014 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.006400	0.011800	0.010400
MARIN COM COLLEGE 2015 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.001800	0.001800	0.001800
MARIN COM COLLEGE 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.002300	0.003200
MARIN HEALTHCARE-MEASURE	0.000000	0.000000	0.000000	0.000000	0.023500	0.009300	0.020100
TOTAL	0.114700	0.104600	0.103600	0.095100	0.109800	0.088600	0.115200
TOTAL TAX RATE	1.114700	1.104600	1.103600	1.095100	1.109800	1.088600	1.115200

Source: Marin County Auditor data, Avenu Insights & Analytics
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	2017-18		2008-09	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Holdings LLC	48,450,000	2.23%		
Belvedere Land Company Partner	39,762,783	1.83%	37,221,575	2.56%
Pampalone Trust	25,877,880	1.19%		
101 Belvedere LLC	15,810,000	0.73%		
Winslow Clark & Sharon Living	15,019,812	0.69%		
Settling Ltd	13,632,323	0.63%	15,000,000	1.03%
Inj LLC	13,446,616	0.62%		
Koogle Timothy A	12,970,711	0.60%		
Grand Stephen & Nancy J Joint	12,667,880	0.58%		
Drebes Lawrence T Jr Tr	12,393,039	0.57%	10,950,362	0.75%
Dillard Family Trust 2003	11,850,637	0.54%		
Silberstein Stephen M Revoc Tr	10,873,275	0.50%		
Yen Hui-Hsien Bert	10,873,275	0.50%		
Kawishiwi Partners Revocable T	10,651,780	0.49%		
27 Bellevue LLC	10,079,784	0.46%		
39 Belvedere LLC	9,751,255	0.45%		
Burillo Javier Tr	9,741,982	0.45%	8,602,594	0.59%
Cana Properties LLC	9,262,994	0.43%		
Janney Daniel S Tr	8,993,001	0.41%	10,561,749	0.73%
Wheelhouse Trust	8,957,507	0.41%		
Kelly Susan C Revoc Trust	8,593,207	0.39%		
Mwvnm Limited	8,412,550	0.39%		
De Somma Leonard B	8,195,292	0.38%	8,100,000	0.56%
Golden Gate Belvedere LLC	8,058,000	0.37%		
Hilpert Dale W	7,699,482	0.35%	6,802,427	0.47%
Kahn Philippe R & Sonia L			12,853,242	0.88%
Murphy Glenn K			8,762,102	0.60%
Richards Albert & Roxanne			8,493,000	0.58%
Schneider James A			8,050,756	0.55%
Faithfort Entrps Inc			7,829,000	0.54%
Dixon William R & Gayle B			7,569,940	0.52%
Lockshin Steven D Tr			6,844,740	0.47%
Klingelhoffer George E Iii Tr			6,741,792	0.46%
Du Molin James R & Suzanne S			6,713,762	0.46%
Gilliland Gloria J Tr			6,705,919	0.46%
Goldberg Fred S Tr			6,522,281	0.45%
Brown Janet Tr			6,494,400	0.45%
Dolch Volker Tr			6,493,000	0.45%
Stein A William Tr			6,418,500	0.44%
Reynolds Michael D & Robin H			6,183,004	0.43%
Prell Lawrence D & Anne D			6,120,000	0.42%
Jacobs Bruce Tr			6,115,673	0.42%
Ostroff Greg M & Hanna H			6,085,457	0.42%
Total Top 25 Taxpayers	352,025,065	16.17%	228,235,275	15.70%
Total Taxable Value	2,176,582,795	100.00%	1,453,587,231	100.00%

Source: Marin County Assessor data, Avenu Insights & Analytics
2008-09 represents the Secured Value only.

**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
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 %
2018	4,340,484	4,340,484	100.00 %	-	4,340,484	100.00 %

Sources: City Finance Department

City of Belvedere

Principal Sales Tax Producers

Last Fiscal Year and Nine Years Ago

2017-18		2008-09	
Taxpayer	Business Type	Taxpayer	Business Type
B G Interior Design	Miscellaneous Retail	Agins Interiors	Light Industry
Bayside Garden Center	Florist/Nursery	Audio/Video Consultants	Furniture/Appliance
Carmen Freiburger Design Service	Miscellaneous Retail	Bayside Garden Center	Florist/Nursery
Carol Anne Anderson	Furniture/Appliance	Corinne Matthews Wiley	Furniture/Appliance
Christen Interiors	Miscellaneous Retail	Corinthian Yacht Club	Miscellaneous Retail
Corinne Matthews Wiley	Furniture/Appliance	Cuthrell & Daughter	Business Services
Corinthian Yacht Club	Restaurants	Decors Usa	Furniture/Appliance
Cuthrell & Daughter	Business Services	Dragonfly Design	Miscellaneous Retail
Glampwear	Heavy Industry	Go West Salon & Spa	Miscellaneous Retail
Gwen Price Interiors	Miscellaneous Retail	Hot Foot America	Chemical Products
Hot Foot America	Chemical Products	Kara Warrin Design	Miscellaneous Retail
Katherine Hill	Miscellaneous Retail	Katherine Hill	Miscellaneous Retail
Laura Smith Blair	Business Services	Kilpatrick Design	Miscellaneous Retail
Linda Applewhite & Associates	Business Services	Linda Applewhite & Associates	Business Services
Mcgovern Design Studio	Miscellaneous Retail	Lite Watt	Electronic Equipment
Mh Design	Miscellaneous Retail	Ming'S Restaurant	Restaurants
Michelle Friend	Miscellaneous Retail	Nancy Freed Interiors	Miscellaneous Retail
Ming'S Restaurant	Restaurants	P.J.Svanfeldt	Office Equipment
Nancy Freed Interiors	Miscellaneous Retail	R & S Service	Auto Parts/Repair
Purple Monkey Hair	Apparel Stores	Spindler Textiles	Miscellaneous Other
R & S Service	Auto Parts/Repair	Susan Imel Interior Design	Miscellaneous Retail
Sharon D. Paster	Miscellaneous Retail	The San Francisco Yacht Club	Miscellaneous Retail
Spindler Textiles	Miscellaneous Other		
The San Francisco Yacht Club	Miscellaneous Retail		
Virginia De-Maria Interiors	Miscellaneous Retail		

Source: Avenu Insights & Analytics

September 20, 2018

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

CITY OF BELVEDERE

2017-18 Assessed Valuation: \$2,180,109,397

	Total Debt 6/30/18	% Applicable (1)	City's Share of Debt 6/30/18
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Marin Community College District	\$310,065,000	2.929%	\$ 9,081,804
Tamalpais Union High School District	109,685,000	4.933	5,410,761
Reed Union School District	27,205,000	25.198	6,855,116
Marin Healthcare District	378,740,000	3.524	13,346,798
Belvedere-Tiburon Library Community Facilities District No. 95-1	810,000	29.074	235,499
Marin County Open Space Community Facilities District No. 1993-1	2,066,211	34.926	721,645
Marin County Open Space Community Facilities District No. 1997-1	2,066,211	34.926	721,645
City of Belvedere 1915 Act Bonds	9,140,000	100.	9,140,000
Marin Emergency Radio Authority Parcel Tax Obligations	33,000,000	2.925	<u>965,250</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$46,478,518
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Marin County General Fund Obligations	\$87,862,953	2.925%	\$2,569,991
Marin County Pension Obligation Bonds	90,530,000	2.925	2,648,003
Marin County Transit General Fund Obligations	90,919	2.925	2,659
Marin Municipal Water District General Fund Obligations	73,968	3.731	2,760
Marin Community College District General Fund Obligations	9,690,834	2.929	283,845
City of Belvedere General Fund Obligations	2,654,329	100.	<u>2,654,329</u> (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$8,161,587
TOTAL DIRECT DEBT			\$2,654,329
TOTAL OVERLAPPING DEBT			\$51,985,776
COMBINED TOTAL DEBT			\$54,640,105 (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) Includes 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	2.13%
Total Direct Debt (\$2,654,329)	0.12%
Combined Total Debt.....	2.51%

AB:(\$500)

**City of Belvedere
Demographic and Economic Statistics
Last Seven Fiscal Year**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (5)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (4)	County Population (1)
2011-12	2,090	239,074,285	114,390	55.3	5,240	7.0%	8.0%	254,790
2012-13	2,086	242,681,214	116,338	54.0	5,415	6.3%	6.9%	254,007
2013-14	2,094	264,608,310	126,365	55.2	5,616	5.0%	3.9%	255,846
2014-15	2,121	284,498,617	134,134	56.8	5,711	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
2017-18	2,135	290,334,145	135,988	56.7	6,272	2.3%	3.5%	263,886

Source: Avenu Insights & Analytics, 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>	Full-time-Equivalent Employees as of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
City Manager's Office	2	2	2	2	2	3	3	2	2	2
Finance	1	1	1	1	1	1	1	1	1	1
Planning	3	3	4	4	4	3	4	4	4	3
Public Safety										
Officers	7	7	7	6	6	7	7	7	7	7
Civilians	1	1	1	1	1	1	1	1	1	1
Building Inspection	3	2	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>21</u>	<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>

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>2018</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>
General government										
Building permits issued	268	284	205	267	287	292	281	284	270	258
Building inspections conducted	2,607	2,320	2,551	2,568	2,196	1,869	2,130	1,668	1,573	1,855
Police										
Physical arrests	8	10	15	10	10	18	27	33	26	21
Parking violations	270	386	571	427	232	236	183	155	178	242
Traffic violations	12	47	56	82	98	86	129	136	135	86
Public Works										
Encroachment permits issued	534	606	560	528	584	651	686	546	560	491
Road closures	44	44	35	27	57	160	162	107	119	95
Planning Department										
Applications received	537	460	264	433	420	470	473	411	400	417
Applications approved	428	455	230	339	425	334	363	316	293	305

Source: City Finance Department

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

<u>Function/Program</u>	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	7	7	7	7	7	7	7	7	7	7
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

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