



— CITY OF BELVEDERE, CALIFORNIA —

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY THE
FINANCE DEPARTMENT

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— CITY OF BELVEDERE, CALIFORNIA —

INTRODUCTORY

SECTION

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CITY of BELVEDERE

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

November 19, 2019

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, 2019. 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 Accountancy Corporation, 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, 2019 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 ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2019, 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.

In accordance with the above-mentioned guidelines, the accompanying report consists of four sections:

1. The **INTRODUCTORY SECTION** contains this letter of transmittal, a list of elected officials and administrative personnel, the City's organizational chart, prior year GFOA award, and a map of the City.
2. The **FINANCIAL SECTION** begins with the Independent Auditor's Reports and Financial Statements. The notes, an integral part of the Financial Statements, are intended to further enhance an understanding of the City's current financial status.
3. The **STATISTICAL SECTION** provides information that is useful for understanding the City's financial condition and depicting the last 10 years of history and financial and operational trends of the City.

The following provides an overview of the City's profile, economic outlook, and long-term planning.

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, (78%), is from local property taxes. Current Secured Property Tax revenue increased 8.3% in fiscal year 2019 and is estimated to increase 4% in fiscal year 2020. Currently there are 17 homes for sale in Belvedere with sales prices ranging from \$1.8 to \$36 million with an average list price of \$11 million.

Total General Fund revenues in 2019 increased \$42,000 over the prior fiscal year. While the property taxes increased by about \$400,000, other general fund revenues came in lower than the prior fiscal year. This was primarily due to a large one-time construction limit penalty assessed in the prior fiscal year, along with the expiration of an intergovernmental revenue agreement with the Town of Tiburon to share police services.

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 2010 through fiscal year 2019, property tax revenues increased an average of 6.78% 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:

- \$2,700,000 for street improvements,
- \$1,000,000 for infrastructure improvements – including the continuation of the seawall stabilization project,
- \$700,000 for improvements to Belvedere's lanes,
- \$200,000 for parks and open space projects,
- \$700,000 for community building upgrades, and
- \$700,000 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 2019 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, 2018. This was the sixth 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,

A handwritten signature in black ink that reads "Amber Johnson". The signature is written in a cursive, flowing style.

Amber Johnson
Administrative Services Manager

PRINCIPAL OFFICERS

CITY OF BELVEDERE

JUNE 30, 2019

CITY COUNCIL

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

COUNCIL APPOINTEES

City Manager	Craig Middleton
City Attorney	Emily Longfellow

DEPARTMENT MANAGERS

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



Belvedere Residents

City Council

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

City Manager
Craig Middleton

City Attorney
Epstein Law Firm
Contract for Services

Public Safety

Police Chief
Jason Wu

Police Sergeants
Chris Pool,
Tom Marksbury

Police Officers
Andy Rosas, Michael Blasi,
Aaron Schmidt, (2 vacant)

Tiburon Fire Protection District
Contract for Services

Planning & Building

Director of Planning & Building
Irene Borba

Building Official
Brian Van Son

Building Inspector
Genaro Muniz

Associate Planner
Rebecca Markwick

Building & Planning Technician
Nancy Miller

Administration

Administrative Services Manager
Amber Johnson

Office Coordinator
Christina Cook

Mgmt Analyst/ City Clerk
Allison Foulis

IT Coordinator
Town of Tiburon
Shared Services Agreement

Public Works

Public Works Manager
Robert Zadnik

Project Coordinator
(vacant)

Maintenance Supervisor
Gerhard Laufer

Maintenance Workers
Max Sandoval
Alberto Carranza

City Engineer
Moe Engineering
Contract for Services



Government Finance Officers Association

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

Presented to

**City of Belvedere
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF BELVEDERE





— 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 (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the City in June 30, 2018 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.

Maze & Associates

Pleasant Hill, California
November 19, 2019

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

INTRODUCTION

As management of the City of Belvedere (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The City's assets plus deferred outflows exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$4.9 million (*net position*).
- The City's Governmental Funds net position increased \$342 thousand over the prior year. Most of this increase is attributable capital projects that were budgeted in the current fiscal year but were not completed by June 30.
- The City's total long-term liabilities decreased by \$4 million during the current fiscal year from \$8.5 million to \$4.5 million. This decrease is attributable to the recognition in the current fiscal year of a \$3.6 million paydown of the City's unfunded pension liability that was made in August 2017.
- At the close of the current fiscal year, the City's governmental funds, on a current financial resource basis, reported a combined ending fund balance of \$5 million. This represents an increase of \$1.7 million over the prior year.

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 other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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 and condition of the City is improving or deteriorating.

The statement of activities 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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

The governmental activities of the City include general government, public safety, planning and development, public works, recreation, and non-departmental. The City does not conduct any business-type activities (such as water or sewer).

The government-wide financial statements include only the City because the City has no component unit relationships with any other agency. The government-wide financial statements can be found on pages 12 and 13 of this report.

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 state and local governments, 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.

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 9 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

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

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. The City uses fiduciary funds to account for the undergrounding assessment district funds and the Library fund. The basic fiduciary fund financial statements can be found on page 22 of this report.

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 are part of the basic financial statements and can be found on pages 23 to 57 of this report.

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. Required supplementary information can be found on pages 60 to 67 of this report. Other supplementary information as noted in the table of contents can be found on pages 70 to 77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5 million at the close of the most recent fiscal year. The following table summarizes the net position for governmental activities as of June 30, 2019, 2018 and 2017:

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

Statement of Net Position
June 30, 2019, 2018, and 2017
(thousands)

	Governmental Activities			Total Primary Government				
	2019	2018	2017	2019	2018	2019-2018 Increase (Decrease)	2017	2018-2017 Increase (Decrease)
Current and other assets*	\$ 6,112	\$ 5,414	\$ 4,709	\$ 6,112	\$ 5,414	\$ 698	\$ 4,709	\$ 705
Capital assets	6,639	6,070	6,158	6,639	6,070	569	6,158	(88)
Total assets	12,751	11,484	10,867	12,751	11,484	1,267	10,867	617
Deferred outflows related to pension	1,288	2,916	1,468	1,288	2,916	(1,628)	1,468	1,449
Total deferred outflows	1,288	2,916	1,468	1,288	2,916	(1,628)	1,468	1,449
Current liabilities*	1,214	873	592	1,214	873	341	592	281
Noncurrent liabilities	4,543	8,577	4,917	4,543	8,577	(4,034)	4,917	3,660
Total liabilities	5,757	9,450	5,509	5,757	9,450	(3,693)	5,509	3,941
Deferred inflows related to pension	3,329	1,716	933	3,329	1,716	1,613	933	783
Total deferred inflows	3,329	1,716	933	3,329	1,716	1,613	933	783
Net position:								
Net investment in capital assets	6,639	6,070	6,158	6,639	6,070	569	6,158	(88)
Restricted	941	396	-	941	396	546	-	396
Unrestricted	(2,627)	(3,231)	(265)	(2,627)	(3,231)	604	(265)	(2,966)
Total net position	\$ 4,954	\$ 3,234	\$ 5,893	\$ 4,954	\$ 3,234	\$ 1,719	\$ 5,893	\$ (2,659)

* During the year, the City determined it was more appropriate to classify Library activities as an Agency Fund, therefore, prior year balances have been reclassified to conform to current year presentation for consistency.

- Current assets increased by \$698 thousand, largely attributable to higher than anticipated revenues and lower than anticipated expenditures for the current year.
- Capital assets increased by \$569 thousand, net of accumulated depreciation, due to completion and capitalization of certain assets, primarily the emergency repair work performed at the Beach road seawall.
- Noncurrent liabilities decreased by \$4 million. In the year ended June 30, 2018, the noncurrent liabilities presented were artificially high, due to a valuation of the City's unfunded pension liability that did not reflect the paydown of \$3.6 million in unfunded pension liability that occurred in August 2017.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

Statement of Activities and Changes in Net Position

The Statement of Activities and Changes in Net Position provides information regarding the City's revenue and expenses. The following table summarizes the revenues, expenditures and changes in net position as of June 30, 2019, 2018 and 2017:

Statement of Activities and Changes in Net Position
For the Fiscal Years Ended June 30, 2019, 2018, and 2017
(thousands)

	Governmental Activities			Total Primary Government				
	2019	2018	2017	2019	2018	2019-2018 Increase (Decrease)	2017	2018-2017 Increase (Decrease)
Revenues:								
Program revenues:								
Charges for services	\$1,069	\$1,493	\$1,130	\$1,069	\$1,493	\$ (424)	\$1,130	\$ 363
Operating grants and contributions	27	10	-	27	10	17	-	10
Capital grants	20	131	-	20	131	(111)	-	131
General revenues:								
Taxes	6,795	6,329	6,050	6,795	6,329	466	6,050	279
Franchise and other taxes	171	189	163	171	189	(17)	163	25
Earnings on investment	113	84	62	113	84	29	62	22
Revenues from other agencies*	309	293	304	309	293	16	304	(11)
Other revenue	36	81	36	36	81	(45)	36	45
Total revenues	8,542	8,610	7,747	8,542	8,610	(68)	7,747	863
Program expenses:								
General government	847	677	985	847	677	170	985	(308)
Police	1,524	1,668	1,839	1,524	1,668	(143)	1,839	(172)
Fire	1,530	1,454	1,573	1,530	1,454	76	1,573	(119)
Planning and development	933	1,047	1,155	933	1,047	(114)	1,155	(108)
Public works	1,348	1,498	879	1,348	1,498	(150)	879	619
Non Departmental	472	3,946	637	472	3,946	(3,474)	637	3,309
Community services*	54	52	83	54	52	2	83	(30)
Interest on long-term debt	114	115	-	114	115	(0)	-	115
Unallocated depreciation expense	-	-	380	-	-	-	380	(380)
Total program expenses	6,823	10,457	7,531	6,823	10,457	(3,635)	7,531	2,926
Transfers:	-	-	-	-	-	-	-	-
Change in net position	1,719	(1,847)	215	1,719	(1,847)	3,566	215	(2,063)
Net position, as previously reported	-	5,894	-	-	5,893	(5,893)	-	5,893
Restatement for GASB 75	-	(813)	-	-	(813)	813	-	(813)
Net position, beginning of year	3,234	5,081	5,678	3,234	5,080	(1,846)	5,678	(598)
Net position, end of year	\$4,953	\$3,234	\$5,894	\$4,953	\$3,233	\$ 1,720	\$5,893	\$ (2,661)

* During the year, the City determined it was more appropriate to classify Library activities as an Agency Fund, therefore, prior year balances have been reclassified to conform to current year presentation for consistency.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

- Overall revenues decreased by \$68 thousand over the prior year, as the increase in property tax revenue collection was offset by a decrease in charges for services, combined with lesser grant revenue collected in the current year over the prior year.
- Overall program expenses were \$3.6 million less than the prior year, due to the one-time \$3.6 million paydown of unfunded pension liability that took place in the prior year.

FUND FINANCIAL STATEMENTS

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, 2019, 2018 and 2017 (thousands)								
	2019			2018		2017		
	General Fund	Other Major Funds	Other Funds	Total Gov. Funds	Total Gov. Funds	2019-2018 Increase (Decrease)	Total Gov. Funds	2018-2017 Increase (Decrease)
Revenues*	\$ 7,305	\$ 1,135	\$ 102	\$ 8,542	\$ 8,610	\$ (68)	\$ 7,747	\$ 863
Current expenditures*	5,195	1,530	254	6,980	10,058	(3,078)	6,650	3,408
Capital outlay	-	1,025	195	1,220	646	574	392	254
	<u>5,195</u>	<u>2,555</u>	<u>449</u>	<u>8,200</u>	<u>10,704</u>	<u>(2,504)</u>	<u>7,041</u>	<u>3,663</u>
Capital Lease	-	-	-	-	2,655	(2,655)	-	2,655
Net transfers	(1,869)	1,638	231	0	-	0	-	-
	<u>(1,869)</u>	<u>1,638</u>	<u>231</u>	<u>0</u>	<u>2,655</u>	<u>(2,655)</u>	<u>-</u>	<u>2,655</u>
Net change in fund balances	241	218	(116)	342	561	(219)	706	(144)
Fund balances, beginning of year	3,845	723	142	4,707	4,146	561	3,440	706
Fund balances, end of year	<u>\$ 4,086</u>	<u>\$ 941</u>	<u>26</u>	<u>\$ 5,050</u>	<u>\$ 4,707</u>	<u>342</u>	<u>\$ 4,146</u>	<u>562</u>

* During the year, the City determined it was more appropriate to classify Library activities as an Agency Fund, therefore, prior year balances have been reclassified to conform to current year presentation for consistency.

General Fund

- General fund revenues of \$7.3 million remained relatively flat when compared to the prior year. General fund expenditures of \$5.2 million decreased by \$0.6 million over the previous fiscal year, which is primarily because the City had a large one-time expenditure in the prior year of \$1 million towards the unfunded pension liability.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

- Capital Lease transaction in the prior year represents the lease-leaseback pension debt restructuring that partially funded the \$3.6 million unfunded pension liability paydown referenced above. The City did not have any new capital lease transactions in the current year.
- Net transfers out of \$1,868,924 consist of transfers out for capital improvement and equipment replacement (\$994,180), fire protection (\$644,226), and other governmental funds (\$230,518).
- The General Fund balance at fiscal year-end was \$4.1 million consisting of \$305 thousand that was non-spendable, \$3 million that was assigned and \$737 thousand that was unassigned.

Other Major Funds - Fire Protection Fund

- Revenues in the Fire Protection Fund, which were generated from a Citywide Parcel Tax, were \$886,256, an increase of \$33,148 over the previous fiscal year. Expenses were \$1,530,482, an increase of \$76,454 or 5% over the previous year.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City offers pension and Other Post Employment Benefits (OPEB) to its employees. The primary pension plan is administered by the California Public Employees' Retirement System (CalPERS). Rising pension costs are a concern for most cities across the state, and in recent years CalPERS has faced criticism that the plan is underfunded. Currently, the CalPERS system as a whole has about 70% of the assets it would need to pay all of its retirement obligations, leaving it with a significant unfunded liability. Each entity within the CalPERS system is responsible for its own share of this liability.

The City of Belvedere has taken a pro-active approach in dealing with its pension liability. In August 2017, the City paid down its unfunded pension liability with \$1 million in reserve funds, and restructured the remaining \$2.6 million of unfunded pension liability by entering a lease-leaseback of the City's Corporation Yard and adjacent property. At the time of this liability restructuring, the City was effectively paying an interest rate of 7.5% to CalPERS. By contrast, the lease-leaseback arrangement has an effective interest rate of 4.46%. At the time of the restructuring, the City calculated that it would save over \$3 million in interest over a 30-year period.

The most recent CalPERS valuation report (as of June 30, 2018) indicates that the City has more than 90% of the assets it would need to pay all of its retirement obligations, resulting in a very small amount of unfunded liability as compared to most other cities across the state.

The City previously offered an additional defined benefit plan to long-time employees; it does not offer this plan to employees hired after January 1, 2012. The plan is administered by the Public Agency Retirement System (PARS). It is a supplement to the CalPERS plan and has more stringent qualification requirements than the CalPERS plan.

CITY OF BELVEDERE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS\

The City also offers OPEB health benefits to employees who meet CalPERS vesting requirements. The benefit provided to City retirees is the minimum amount allowable under the CalPERS health plan, with the exception of City Manager retirees, who receive a more generous benefit.

The following table summarizes all of the City's liabilities that are related to pensions and OPEB.

Summary of Pension and OPEB Net Liability	
as of June 30, 2019	
Description	Total Net Liability
Pension-related Debt Restructuring	\$ 2,455,000
CalPERS Pension	583,678
PARS Defined Benefit	178,065
OPEB Health Benefit	1,254,000
TOTAL	\$ 4,470,743

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET


- Property tax revenue is the primary source of revenue for the City, and continues to rise, thanks to a robust real estate market and the City's favorable inventory of homes.
- General fund expenditures are anticipated to increase at a modest rate in line with inflation in the greater Bay Area.
- Prudent fiscal management has resulted in a strong general fund reserve balance of 50% of operating expenses. Consequently, the City is well positioned to face unanticipated fiscal emergencies, such as catastrophic events or budget stabilization.

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

<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.

CITY OF BELVEDERE
STATEMENT OF NET POSITION
JUNE 30, 2019
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2018

	Governmental Activities	
ASSETS	2019	2018
Cash and cash equivalents (Note 3)	\$5,287,133	\$4,666,259
Accounts and interest receivable	379,488	321,992
Prepays and deposits	445,367	425,841
Capital assets (Note 5):		
Non-depreciable capital assets	400,866	
Depreciable, net of accumulated depreciation	6,238,380	6,069,846
Total Assets	12,751,234	11,483,938
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related (Note 8)	1,244,234	2,880,155
Other Post Employment Benefits-related (Note 9)	44,000	36,000
Total Deferred Outflows of Resources	1,288,234	2,916,155
LIABILITIES		
Accounts payable and other liabilities	460,403	302,761
Refundable deposits	600,704	402,911
Compensated absences (Note 1K):		
Due within one year	22,511	27,475
Due in more than one year	202,602	247,280
Bonds payable (Note 6):		
Due within one year	130,000	140,000
Due in more than one year	2,325,000	2,455,000
Collective net pension liability, due in more than one year (Note 8)	761,743	4,645,998
Net Other Post Employment Benefits liability, due in more than one year (Note 9)	1,254,000	1,229,000
Total Liabilities	5,756,963	9,450,425
DEFERRED INFLOWS OF RESOURCES		
Pension-related (Note 8)	3,224,938	1,618,555
Other Post Employment Benefits-related (Note 9)	104,000	97,000
Total Deferred Inflows of Resources	3,328,938	1,715,555
NET POSITION (Note 7)		
Net investment in capital assets	6,639,246	6,069,846
Restricted for road projects	941,270	395,508
Unrestricted	(2,626,949)	(3,231,241)
Total Net Position	\$4,953,567	\$3,234,113

See accompanying notes to basic financial statements

CITY OF BELVEDERE
STATEMENT OF ACTIVITIES GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED INFORMATION AS OF 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	2019	2018
Primary Government:						
Governmental Activities:						
General government	\$846,917	\$22,388	\$27,329		(\$797,200)	(\$654,584)
Public safety:						
Police services	1,524,225	15,259			(1,508,966)	(1,542,852)
Fire services	1,530,482				(1,530,482)	(1,454,028)
Planning and development	932,726	764,018			(168,708)	(22,709)
Public works	1,347,896	267,460		\$20,259	(1,060,177)	(1,035,023)
Recreation	53,902				(53,902)	(52,364)
Non-departmental	472,211				(472,211)	(3,946,407)
Library						(737,549)
Interest on long-term debt	114,176				(114,176)	(114,535)
Total Governmental Activities	<u>\$6,822,535</u>	<u>\$1,069,125</u>	<u>\$27,329</u>	<u>\$20,259</u>	<u>(5,705,822)</u>	<u>(9,560,051)</u>
General revenues:						
Taxes:						
Property taxes					6,600,347	6,129,401
Other taxes					194,637	199,533
Use of money and property					113,366	84,183
Intergovernmental					309,413	1,031,653
Franchise taxes					171,312	188,760
Miscellaneous					36,201	80,777
Total General Revenues					<u>7,425,276</u>	<u>7,714,307</u>
Change in Net Position					1,719,454	(1,845,744)
Net Position-Beginning					<u>3,234,113</u>	<u>5,079,857</u>
Net Position-Ending					<u>\$4,953,567</u>	<u>\$3,234,113</u>

See accompanying notes to basic financial statements

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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 2019. Individual non-major funds may be found in the Supplemental Section.

CITY OF BELVEDERE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2018

	General Fund	Fire Protection Fund	General Capital Improvements	Other Funds	Totals	
					2019	2018
ASSETS						
Cash and investments (Note 3)	\$4,244,264		\$1,017,869	\$25,000	\$5,287,133	\$4,666,259
Accounts receivable, net	253,739	\$4,440	117,503	3,806	379,488	321,992
Due from other funds (Note 4A)	148,902				148,902	142,952
Prepaid items and other current assets	304,711	140,656			445,367	425,841
Total Assets	\$4,951,616	\$145,096	\$1,135,372	\$28,806	\$6,260,890	\$5,557,044
LIABILITIES						
Accounts payable and other liabilities	\$266,301		\$194,102		\$460,403	\$302,761
Due to other funds (Note 4A)		\$145,096		\$3,806	148,902	142,952
Refundable deposits	600,704				600,704	402,911
Total Liabilities	867,005	145,096	194,102	3,806	1,210,009	848,624
FUND BALANCES (Note 7)						
Nonspendable	304,711				304,711	293,304
Restricted			941,270		941,270	395,508
Assigned	3,042,646			25,000	3,067,646	3,240,664
Unassigned	737,254				737,254	778,944
Total Fund Balances	4,084,611		941,270	25,000	5,050,881	4,708,420
Total Liabilities and Fund Balances	\$4,951,616	\$145,096	\$1,135,372	\$28,806	\$6,260,890	\$5,557,044

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, 2019

With comparative amounts at June 30, 2018

	2019	2018
Total Fund Balances - Governmental Funds Balance Sheet	\$5,050,881	\$4,708,420
<p>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:</p>		
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.	6,639,246	6,069,846
DEFERRED INFLOWS AND OUTFLOWS		
Deferred outflows related to pension	1,244,234	2,880,155
Deferred outflows related to OPEB	44,000	36,000
Deferred inflows related to pension	(3,224,938)	(1,618,555)
Deferred inflows related to OPEB	(104,000)	(97,000)
LONG-TERM LIABILITIES		
<p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Funds Balance Sheet.</p>		
Compensated absences	(225,113)	(274,755)
Bonds payable	(2,455,000)	(2,595,000)
Net OPEB liability	(1,254,000)	(1,229,000)
Net pension liability	(761,743)	(4,645,998)
Net Position of Governmental Activities	\$4,953,567	\$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, 2019
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2018

	General Fund	Fire Protection Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds	
					2019	2018
REVENUES						
Property taxes	\$5,714,091	\$886,256			\$6,600,347	\$6,129,401
Other taxes	194,637				194,637	199,533
Licenses and permits	458,873				458,873	585,449
Fines and forfeitures	33,636				33,636	152,589
Use of money/property	101,930		\$10,381	\$1,055	113,366	84,183
Intergovernmental revenues	190,716		65,657	100,628	357,001	1,172,854
Charges for services	403,366		173,250		576,616	755,340
Franchise fees	171,312				171,312	188,760
Other revenues	36,201				36,201	80,777
Total Revenues	7,304,762	886,256	249,288	101,683	8,541,989	9,348,886
EXPENDITURES						
Current:						
General government	807,507				807,507	764,731
Public safety:						
Police	1,835,360				1,835,360	1,730,073
Fire		1,530,482			1,530,482	1,454,028
Planning & development	1,084,628				1,084,628	1,012,727
Public works	941,347				941,347	923,184
Recreation (The Ranch)	53,902				53,902	52,364
Non-Departmental	472,211				472,211	3,946,407
Library						737,549
Debt service:						
Principal				140,000	140,000	60,000
Interest and fiscal charges				114,176	114,176	114,535
Capital outlay			1,025,050	194,865	1,219,915	645,610
Total Expenditures	5,194,955	1,530,482	1,025,050	449,041	8,199,528	11,441,208
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,109,807	(644,226)	(775,762)	(347,358)	342,461	(2,092,322)
OTHER FINANCING SOURCES (USES)						
Lease revenue bonds issued (Noted 6)						2,655,000
Transfers in (Note 4B)		644,226	994,180	316,792	1,955,198	1,303,514
Transfers (out) (Note 4B)	(1,868,924)			(86,274)	(1,955,198)	(1,303,514)
Total Other Financing Sources (Uses)	(1,868,924)	644,226	994,180	230,518		2,655,000
NET CHANGES IN FUND BALANCES	240,883		218,418	(116,840)	342,461	562,678
BEGINNING FUND BALANCES	3,843,728		722,852	141,840	4,708,420	4,145,742
ENDING FUND BALANCES	\$4,084,611		\$941,270	\$25,000	\$5,050,881	\$4,708,420

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, 2019
With comparative amounts 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.

	2019	2018
Net changes in fund balances - total governmental funds	\$342,461	\$562,678
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	1,129,078	431,669
Depreciation expense is deducted from fund balance	(559,678)	(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	140,000	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	49,642	(33,728)
Net OPEB liability and deferred outflows/inflows related to OPEB	(24,000)	(16,000)
Net pension liability and deferred outflows/inflows related to pension	641,951	324,385
Total Changes in Net Position of Governmental Activities	\$1,719,454	(\$1,845,744)

See accompanying notes to basic financial statements.

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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.

CITY OF BELVEDERE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS:	
Cash and investments:	
Redemption fund	\$1,677,951
Reserve fund	33,704
Library fund	9,054
Other receivable	173,080
Total Assets	\$1,893,789
LIABILITIES:	
Accounts payable	\$215,439
Due to special assessment districts	1,669,695
Due to library	8,655
Total Liabilities	\$1,893,789

See accompanying notes to basic financial statements

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019, 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, 2019

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 2019.

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.

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 as well as property taxes received on behalf of the Belvedere-Tiburon Library Agency. 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, 2019

NOTE 1 – 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, 2019

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, 2019**

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	\$274,755
Additions	167,457
Payments	<u>(217,099)</u>
Ending Balance	<u>\$225,113</u>
Current Portion	<u>\$22,511</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, 2019

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Reclassified Fund

During fiscal year 2018-19, the City recategorized the Library Fund, which is used to account for the receipt of property taxes collected on behalf of the Belvedere-Tiburon Library Agency (BTLA), which are subsequently distributed to BTLA. The Library Fund which was previously reported as a Non-Major Special Revenue Fund is now classified as an Agency Fund.

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

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This Statement required minor changes to the footnotes disclosed in Note 6.

GASB Statement No. 83 – *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain Asset Retirement Obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. 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, except for the Gas Tax Special Revenue Fund. 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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 2 – BUDGETS (Continued)

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.

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	\$5,287,133
Fiduciary Funds	
Redemption fund	1,677,951
Reserve fund	33,704
Library fund	9,054
Total Fiduciary Cash and Investments	1,720,709
Total Cash and Investments	\$7,007,842

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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%	A1/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	\$6,858,342	\$6,858,342
Total Investments	\$6,858,342	6,858,342
Cash in banks and on hand		149,500
Total Cash and Investments		\$7,007,842

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, 2019 the average maturity was 173 days.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019, current interfund balances are as follows:

<u>Fund Making Loan</u>	<u>Fund Receiving Loan</u>	<u>Amount</u>
General Fund	Fire Protection Special Revenue Fund	\$145,096
	Gas Tax Special Revenue Fund	<u>3,806</u>
	Total	<u><u>\$148,902</u></u>

**CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

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, 2019 were as follows:

Fund Making Transfer	Fund Receiving Transfer	Amount
General Fund	Fire Protection Special Revenue Fund	\$644,226 (A)
	General Capital Improvements Capital Projects Fund	907,906 (A)
	Equipment Replacement Capital Projects Fund	62,616 (A)
	2017 Lease Revenue Bonds	254,176 (B)
Gas Tax Special Revenue Fund	General Capital Improvements Capital Projects Fund	<u>86,274 (C)</u>
	Total	<u><u>\$1,955,198</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, 2019

NOTE 5 – CAPITAL ASSETS (Continued)

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

	Balance June 30, 2018	Additions	Transfers	Balance June 30, 2019
Governmental Activities				
Non-Depreciable Capital Assets:				
Construction-in-progress		\$450,178	(\$49,312)	\$400,866
Total capital assets not being depreciated		450,178	(49,312)	400,866
Depreciable Capital Assets:				
City Hall & Community Center				
Buildings and building improvements	\$3,500,209	56,854		3,557,063
Corporation yard improvements	272,851			272,851
Office furniture & equipment	215,512		49,312	264,824
Transportation/other- Yard	379,138	11,102		390,240
Transportation/other- Police	228,226	8,957		237,183
Infrastructure	7,068,243	601,987		7,670,230
Total capital assets being depreciated	11,664,179	678,900	49,312	12,392,391
Less accumulated depreciation for:				
City Hall & Community Center				
Buildings and building improvements	2,120,663	116,540		2,237,203
Corporation yard improvements	169,936	10,323		180,259
Office furniture & equipment	87,012	21,109		108,121
Transportation/other- Yard	294,778	21,672		316,450
Transportation/other- Police	149,904	32,156		182,060
Infrastructure	2,772,040	357,878		3,129,918
Total accumulated depreciation	5,594,333	559,678		6,154,011
Net depreciable assets	6,069,846	119,222	49,312	6,238,380
Governmental activities capital assets, net	\$6,069,846	\$569,400		\$6,639,246

Construction in progress consisted of the following projects at June 30, 2019:

Project	Amount
Lane Projects	\$132,216
City Hall Roof Replacement	80,150
Undergrounding Projects	178,500
City Hall Telephone System	10,000
Total	\$400,866

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental Activities	
General Government	\$50,244
Police	61,291
Planning & Building	29,135
Public Works	31,995
Community Center (General Government)	29,135
Infrastructure (Public Works)	<u>357,878</u>
Total Governmental Activities	<u><u>\$559,678</u></u>

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, 2019:

Direct Borrowings	Balance at June 30, 2018	Additions	Retirements	Balance at June 30, 2019	Due Within One Year	Due in More Than One Year
2017 Lease Revenue Bonds, due 09/01/32	<u>\$2,595,000</u>		<u>(\$140,000)</u>	<u>\$2,455,000</u>	<u>\$130,000</u>	<u>\$2,325,000</u>

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, 2019

NOTE 6 – LONG-TERM DEBT (Continued)

Debt service requirements are shown below for the bonds:

Year ending June 30	Direct Borrowings		Total
	Principal	Interest	
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>\$2,455,000</u>	<u>\$838,482</u>	<u>\$3,293,482</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:

	Balance at June 30, 2018	Additions	Retirements	Balance at June 30, 2019	Due Within One Year	Due in More Than One Year
2016 Revenue Bonds, due serially to 2043	\$8,780,000		(\$380,000)	\$8,400,000	\$370,000	\$8,030,000
2018 Revenue Bonds, due serially to 2048		\$2,810,000	(50,000)	2,760,000	60,000	2,700,000
	<u>\$8,780,000</u>	<u>\$2,810,000</u>	<u>(\$430,000)</u>	<u>\$11,160,000</u>	<u>\$430,000</u>	<u>\$10,730,000</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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 6 – LONG-TERM DEBT (Continued)

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.

2018 Underground Assessment District – 2018 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, 2018 Acacia/Laurel Utility Undergrounding Assessment District, were issued in the amount of \$2,810,000. Concurrently, the City issued one series of assessment bonds for the Acacia/Laurel Utility Undergrounding Assessment District in the amount of \$2,673,056.80 pursuant to the Municipal Improvement Act of 1913. The assessment bonds were purchased by the Public Financing Authority, and secure and provide the stream of revenues to pay debt service on the Revenue Bonds. The assessment bonds are payable from the unpaid assessments levied and collected within the assessment district. The revenue bonds bear annual interest ranging from 2.10% to 4.30%, and are due semi-annually commencing March 2, 2019. Principal payments are due annually on September 2 until they mature on September 2, 2048.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 7 – NET POSITION AND FUND BALANCES (Continued)

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.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 7 – NET POSITION AND FUND BALANCES (Continued)

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.

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, 2019, the amount in reserve is \$2.9 million, which complies with this policy.

G. Fund Balance Classifications

Fund balances classifications at June 30, 2019 were:

	General Fund	Fire Protection Fund	General Capital Improvements	Non-Major Other Funds	Total
Nonspendable:					
Prepaid Items	\$304,711				\$304,711
Total Nonspendable	<u>304,711</u>				<u>304,711</u>
Restricted:					
Street Maintenance			\$941,270		941,270
Total Restricted			<u>941,270</u>		<u>941,270</u>
Assigned:					
General Fund Reserve	2,885,842				2,885,842
Pension Reserve	100,000				100,000
Insurance Reserve	56,804				56,804
Computer Replacement				\$25,000	25,000
Total Assigned	<u>3,042,646</u>			<u>25,000</u>	<u>3,067,646</u>
Unassigned	<u>737,254</u>				<u>737,254</u>
	<u>\$4,084,611</u>		<u>\$941,270</u>	<u>\$25,000</u>	<u>\$5,050,881</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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.

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	\$429,752	\$320,725	\$2,309,542
Safety - Police	791,431	262,953	907,956
PARS Retirement Enhancement Plan	23,051	178,065	7,440
	\$1,244,234	\$761,743	\$3,224,938

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

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.

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, 2019, 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	9.409%	6.842%
	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%	12%
Required employer contribution rates	15.719%	12.141%

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	Employer Contributions
CalPERS:	
Miscellaneous	\$180,028
Safety	149,411
	\$329,439

Beginning in fiscal year 2016, Cal PERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$39,393 and \$28,001, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2019, 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	\$320,725
Safety	262,953
Total Net Pension Liability	\$583,678

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.06844%
Proportion - June 30, 2018	0.00851%
Change - Increase (Decrease)	-0.05993%
	Safety
Proportion - June 30, 2017	0.02967%
Proportion - June 30, 2018	0.00448%
Change - Increase (Decrease)	-0.02519%

For the year ended June 30, 2019, the City recognized negative pension expense of \$312,512, including amounts contributed to the REP plan.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$180,028	
Differences between actual and expected experience	12,306	(\$4,188)
Changes in assumptions	36,564	(8,961)
Net differences between projected and actual earnings on plan investments	1,586	
Net difference in actual contribution and proportion contributions		(413,902)
Adjustment due to differences in proportions	199,268	(1,882,491)
Total	\$429,752	(\$2,309,542)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

\$180,028 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, 2020. 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
2020	(\$781,691)
2021	(860,263)
2022	(414,980)
2023	(2,884)
Total	<u><u>(\$2,059,818)</u></u>

At June 30, 2019, 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	\$149,411	
Differences between actual and expected experience	5,650	(\$21)
Changes in assumptions	25,800	(3,481)
Net differences between projected and actual earnings on plan investments	1,780	
Net difference in actual contribution and proportion contributions		(195,193)
Adjustment due to differences in proportions	<u>608,790</u>	<u>(709,261)</u>
Total	<u><u>\$791,431</u></u>	<u><u>(\$907,956)</u></u>

\$149,411 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, 2020. 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
2020	\$35,712
2021	(39,690)
2022	(260,136)
2023	(1,822)
Total	<u><u>(\$265,936)</u></u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost in accordance with the requirements of GASB Statement No.68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies.

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report available on CalPERS website.

Changes of assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.5%.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

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+ 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 adjusted to account for assumed administrative expenses.

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 (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets		0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	5.21%
Liquidity	1.0%		-0.92%
Total	<u>100%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

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	\$2,080,087	\$1,459,289	\$3,539,376
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$320,725	\$262,953	\$583,678
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability (Asset)	(\$1,131,600)	(\$717,230)	(\$1,848,830)

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

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, 2019 totaled \$26,737.

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, 2019 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, 2019

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2019, the total pension liability was determined using an actuarial valuation as of June 30, 2018. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

	PARS REP
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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.

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.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

NOTE 8 – PENSION PLANS (Continued)

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan as of the June 30, 2019 Measurement Date follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2018	<u>\$810,855</u>	<u>\$635,541</u>	<u>\$175,314</u>
Changes in the year:			
Service cost	13,075		13,075
Interest on the total pension liability	52,857		52,857
Effect of economic/demographic gains or losses			
Effect of assumptions changes or inputs			
Benefit payments	(21,829)	(21,829)	
Contributions - employer		26,737	(26,737)
Net investment income		39,677	(39,677)
Administrative expenses		(3,233)	3,233
Net changes	<u>44,103</u>	<u>41,352</u>	<u>2,751</u>
Balance at June 30, 2019	<u><u>\$854,958</u></u>	<u><u>\$676,893</u></u>	<u><u>\$178,065</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	\$289,810
Current Discount Rate	6.50%
Net Pension Liability	\$178,065
1% Increase	7.50%
Net Pension Liability	\$79,046

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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	4.08%	0.71%	0.71%
Core Fixed Income	35.75%	1.83%	1.73%
US Equity Market	45.61%	4.71%	3.52%
Foreign Developed Equity	6.75%	6.06%	4.55%
Emerging Markets Equity	5.12%	8.23%	5.43%
US REITs	2.69%	5.05%	3.42%
Total	<u>100%</u>		

Deferred Outflows/Inflows of Resources Related to Pensions - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Plan from the following sources:

	PARS REP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience		(\$7,440)
Changes in assumptions	\$22,972	
Net differences between projected and actual earnings on plan investments	79	
Total	<u>\$23,051</u>	<u>(\$7,440)</u>

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
2020	\$6,386
2021	6,386
2022	2,500
2023	339
Total	<u>\$15,611</u>

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>City Manager</u>
Eligibility:			
Age & Service Retirement	50 & 5 years CalPERS service	50 & 5 years CalPERS service	50 & 5 years CalPERS service; City Manager employees only
Industrial Disability Retirement	Yes	Yes	Yes
Duty Death	Yes	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	60% of Premium for Kaiser + 1 Rate
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	60% of Premium for Kaiser + 1 Rate
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	60% of Premium for Kaiser + 1 Rate
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	60% of Premium for Kaiser + 1 Rate

Note: PEMHCA Minimum Rate: \$136.00/month as of 2019

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019:

	Count
Inactive employees currently receiving benefits	10
Inactive employees entitled to benefit payments	5
Active employees	21
Total	36

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2018 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 \$1,254,000 total OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	Miscellaneous
Actuarial Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.87%
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, 2017 to June 30, 2018.

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2018	\$1,229,000
Changes for the year:	
Service Cost	63,000
Interest on the Total OPEB Liability	45,000
Differences between Expected and Actual Experience	-
Assumption changes	(47,000)
Contributions	
Employer	-
Employee	-
Net Investment Income	-
Benefit payments	(36,000)
Administrative Expense	-
Net changes	25,000
Balance at June 30, 2019	\$1,254,000

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 (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

1% Decrease	2.87%
Net OPEB Liability	\$1,428,000
Current Discount Rate	3.87%
Net OPEB Liability	\$1,254,000
1% Increase	4.87%
Net OPEB Liability	\$1,112,000

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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	\$1,091,000
Trend Rate	8.00%
Net Pension Liability	\$1,254,000
1% Increase	9.00%
Net Pension Liability	\$1,456,000

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$129,000. At June 30, 2019, 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		(\$104,000)
Employer contributions made subsequent to the measurement date	\$44,000	
Total	\$44,000	(\$104,000)

\$44,000 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, 2020. 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
2020	(\$40,000)
2021	(40,000)
2022	(21,000)
2023	(3,000)
Total	(\$104,000)

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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, 2019 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 (\$797,593 for fiscal 2019), 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, 2019 for the Agency is presented below:

Total Assets	\$4,557,821
Total Capital Assets	5,158,301
Total Deferred Outflows	380,910
Total Liabilities	(2,295,632)
Total Deferred Inflows	(135,302)
Net Position	7,666,098
Total Program Expenses	(2,806,645)
Total Program Revenues	1,079,695
Total General Revenues	2,755,183
Increase in Net Position	1,028,233

CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019

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.

Coverage Type	Deductible	Coverage Limits
General & Auto Liability	\$25,000	\$35,000,000
Employment Practices Liability	25,000	35,000,000
Workers' Compensation	100,000	5,000,000
All-Risk Property Insurance	5,000	1,000,000,000
Employee Dishonesty	2,500	1,000,000
Forgery & Alteration	2,500	1,000,000
Theft, Disappearance, Destruction	2,500	1,000,000
Robbery & Safe Burglary	2,500	1,000,000
Computer Fraud	2,500	1,000,000
Money Orders and Counterfeit Paper Currency	2,500	1,000,000

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.

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.

**CITY OF BELVEDERE, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

NOTE 10 – JOINT VENTURES AND POOLS (Continued)

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

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.

NOTE 12 - SUBSEQUENT EVENT

In September 2019, the Belvedere Public Financing Authority issued \$665,000 in 2019 Revenue Bonds for the Golden Gate/Belvedere Utility Undergrounding Assessment District. The proceeds of the bonds are to be used to acquire the Assessment Bonds to be issued concurrently with the bonds captioned as "City of Belvedere Golden Gate/Belvedere Utility Undergrounding Assessment District Limited Obligation Improvement Bonds," and to pay the costs of issuing the Bonds and the Assessment Bonds. The Assessment Bonds are being issued to pay for the acquisition and/or construction of public improvements primarily consisting of the undergrounding of utilities serving the property in the Assessment District. The Assessment Bonds are secured and payable solely from Assessments levied on the property within the Assessment District. The City is not committed for the debt service on these bonds.

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— CITY OF BELVEDERE, CALIFORNIA —

REQUIRED SUPPLEMENTARY INFORMATION

SECTION

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$5,402,899	\$5,502,899	\$5,714,091	\$211,192
Other taxes	331,650	158,150	194,637	36,487
Licenses and permits	452,950	452,950	458,873	5,923
Fines and forfeitures	21,225	21,225	33,636	12,411
Use of money/property	56,000	56,000	101,930	45,930
Intergovernmental revenues	127,432	127,423	190,716	63,293
Charges for services	330,250	330,250	403,366	73,116
Franchise fees	173,500	173,500	171,312	(2,188)
Other revenues	32,000	32,000	36,201	4,201
Total revenues	<u>6,927,906</u>	<u>6,854,397</u>	<u>7,304,762</u>	<u>450,365</u>
Expenditures				
Current:				
General Government	781,076	781,075	807,507	(26,432)
Public safety:				
Police	1,845,183	1,920,183	1,835,360	84,823
Planning & development	1,123,041	1,178,040	1,084,628	93,412
Public works	933,627	933,628	941,347	(7,719)
Recreation (The Ranch)	57,502	57,502	53,902	3,600
Non-Departmental	405,258	405,782	472,211	(66,429)
Total Expenditures	<u>5,145,687</u>	<u>5,276,210</u>	<u>5,194,955</u>	<u>81,255</u>
Excess of revenues over (under) expenditures	<u>1,782,219</u>	<u>1,578,187</u>	<u>2,109,807</u>	<u>531,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(1,881,980)</u>	<u>(1,881,980)</u>	<u>(1,868,924)</u>	<u>13,056</u>
Total other financing sources (uses)	<u>(1,881,980)</u>	<u>(1,881,980)</u>	<u>(1,868,924)</u>	<u>13,056</u>
NET CHANGE IN FUND BALANCE	<u>(\$99,761)</u>	<u>(\$303,793)</u>	240,883	<u>\$544,676</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>3,843,728</u>	
FUND BALANCE AT END OF YEAR			<u>\$4,084,611</u>	

CITY OF BELVEDERE

**BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	<u>\$889,966</u>	<u>\$889,966</u>	<u>\$886,256</u>	<u>(\$3,710)</u>
Total revenues	<u>889,966</u>	<u>889,966</u>	<u>886,256</u>	<u>(3,710)</u>
Expenditures				
Current				
Public safety:				
Fire	<u>1,652,600</u>	<u>1,652,600</u>	<u>1,530,482</u>	<u>122,118</u>
Total expenditures	<u>1,652,600</u>	<u>1,652,600</u>	<u>1,530,482</u>	<u>122,118</u>
Excess of revenues over (under) expenditures	<u>(762,634)</u>	<u>(762,634)</u>	<u>(644,226)</u>	<u>118,408</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>762,667</u>	<u>762,667</u>	<u>644,226</u>	<u>(118,441)</u>
Total other financing sources (uses)	<u>762,667</u>	<u>762,667</u>	<u>644,226</u>	<u>(118,441)</u>
NET CHANGE IN FUND BALANCE	<u>\$33</u>	<u>\$33</u>		<u>(\$33)</u>
FUND BALANCE AT BEGINNING OF YEAR			<u> </u>	
FUND BALANCE AT END OF YEAR			<u> </u>	

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, except for the Gas Tax Special Revenue Fund. 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				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.02786%	0.06454%	0.07071%	0.06844%	0.00851%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,733,750	\$1,770,555	\$2,456,235	\$2,698,048	\$320,725
Plan's Covered Payroll	\$1,394,430	\$1,413,982	\$1,479,351	\$1,370,946	\$1,459,265
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%	21.98%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
Measurement Date	Safety Plan				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.01748%	0.02760%	0.03112%	0.02967%	0.00448%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,087,923	\$1,137,147	\$1,611,595	\$1,772,636	\$262,953
Plan's Covered Payroll	\$700,977	\$645,791	\$842,368	\$708,177	\$683,660
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	155.20%	176.09%	191.32%	250.31%	38.46%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%

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

**CITY OF BELVEDERE
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				
	2015	2016	2017	2018	2019
Contractually required contribution (actuarially determined)	\$149,613	\$180,795	\$162,841	\$110,838	\$180,028
Contributions in relation to the actuarily determined contributions	<u>(149,613)</u>	<u>(180,795)</u>	<u>(162,841)</u>	<u>(110,838)</u>	<u>(180,028)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$1,413,982	\$1,479,351	\$1,370,946	\$1,370,946	\$1,459,265
Contributions as a percentage of covered payroll	10.58%	12.22%	11.88%	8.08%	12.34%
Fiscal Year Ended June 30	Safety Plan				
	2015	2016	2017	2018	2019
Contractually required contribution (actuarially determined)	\$131,200	\$147,021	\$190,912	\$114,373	\$149,411
Contributions in relation to the actuarily determined contributions	<u>(131,200)</u>	<u>(147,021)</u>	<u>(190,912)</u>	<u>(114,373)</u>	<u>(149,411)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$645,791	\$842,368	\$708,177	\$802,683	\$683,660
Contributions as a percentage of covered payroll	20.32%	17.45%	26.96%	14.25%	21.85%

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	2.50%
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 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS 2017 experience study report available on CalPERS website.

* Fiscal year 2015 was the first year of implementation, therefore only five 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	2019
Actuarially determined contribution	\$44,240	\$37,546	\$32,350	\$27,648	\$27,648
Contribution in relation to the actuarially determined contributions	(44,240)	(37,546)	(32,350)	(30,305)	(26,737)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,657)</u>	<u>\$911</u>
Covered Payroll	\$1,436,349	\$1,219,022	\$1,078,340	\$921,592	\$946,936
Net Pension Liability as a percentage of covered payroll	3.08%	3.08%	3.00%	3.29%	2.82%
Notes to Schedule					
Valuation date	6/30/2014	6/30/2015	6/30/2016	6/30/2018	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 five years are shown.

CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION

City of Belvedere Single-Employer OPEB Plan
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	<u>2017</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$72,000	\$63,000
Interest	38,000	45,000
Differences between actual and expected experience	-	-
Assumption Changes	(126,000)	(47,000)
Benefit payments including refunds	(29,000)	(36,000)
Changes of benefit terms	-	-
Net change in total OPEB liability	<u>(45,000)</u>	<u>25,000</u>
Total OPEB liability - (beginning of year)	<u>1,274,000</u>	<u>1,229,000</u>
Total OPEB liability - (end of year)	<u><u>\$1,229,000</u></u>	<u><u>\$1,254,000</u></u>
Covered Payroll	\$2,263,000	\$2,209,000
Net OPEB liability as percentage of covered payroll	54.31%	56.77%

Notes to Schedule:

* Fiscal year 2018 was the 1st year of implementation, therefore, only two years are shown.

**CITY OF BELVEDERE
REQUIRED SUPPLEMENTARY INFORMATION**

City of Belvedere Single-Employer OPEB Plan
For the fiscal year ending June 30
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending	2018	2019
Actuarially determined contribution	\$1,229,000	\$1,254,000
Contributions in relation to the actuarially determined contributions	(32,432)	(42,658)
Contribution deficiency (excess)	\$1,196,568	\$1,211,342
 Covered payroll	 \$2,209,000	 \$2,032,500
 Contributions as a percentage of covered payroll	 1.47%	 2.10%
 Notes to Schedule		
Valuation date:	6/30/2017	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 two years are shown.

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— CITY OF BELVEDERE, CALIFORNIA —

SUPPLEMENTARY INFORMATION

CITY OF BELVEDERE

**BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money/property			\$10,381	\$10,381
Intergovernmental revenues	\$229,662	\$379,979	65,657	(314,322)
Charges for services	<u>185,000</u>	<u>185,000</u>	<u>173,250</u>	<u>(11,750)</u>
Total revenues	<u>414,662</u>	<u>564,979</u>	<u>249,288</u>	<u>(315,691)</u>
Expenditures				
Capital outlay	<u>1,426,500</u>	<u>1,426,500</u>	<u>1,025,050</u>	<u>401,450</u>
Total expenditures	<u>1,426,500</u>	<u>1,426,500</u>	<u>1,025,050</u>	<u>401,450</u>
Excess of revenues over (under) expenditures	<u>(1,011,838)</u>	<u>(861,521)</u>	<u>(775,762)</u>	<u>85,759</u>
 OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>720,137</u>	<u>720,137</u>	<u>994,180</u>	<u>274,043</u>
Total other financing sources (uses)	<u>720,137</u>	<u>720,137</u>	<u>994,180</u>	<u>274,043</u>
NET CHANGE IN FUND BALANCE	<u>(\$291,701)</u>	<u>(\$141,384)</u>	218,418	<u>\$359,802</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>722,852</u>	
FUND BALANCE AT END OF YEAR			<u>\$941,270</u>	

CITY OF BELVEDERE
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2019

	General Fund	SLESF Fund	Insurance Reserve Fund	Pension Reserve Fund	Total General Fund
ASSETS					
Cash and investments	\$4,088,282	(\$822)	\$56,804	\$100,000	\$4,244,264
Accounts receivable, net	252,917	822			253,739
Due from other funds	148,902				148,902
Prepaid items and other current assets	304,711				304,711
Total Assets	<u>\$4,794,812</u>		<u>\$56,804</u>	<u>\$100,000</u>	<u>\$4,951,616</u>
LIABILITIES					
Accounts payable and other liabilities	\$266,301				\$266,301
Refundable deposits	600,704				600,704
Total Liabilities	<u>867,005</u>				<u>867,005</u>
FUND BALANCES					
Nonspendable	304,711				304,711
Restricted					
Assigned	2,885,842		\$56,804	\$100,000	3,042,646
Unassigned	737,254				737,254
Total Fund Balances	<u>3,927,807</u>		<u>56,804</u>	<u>100,000</u>	<u>4,084,611</u>
Total Liabilities and Fund Balances	<u>\$4,794,812</u>		<u>\$56,804</u>	<u>\$100,000</u>	<u>\$4,951,616</u>

**CITY OF BELVEDERE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	SLESF Fund	Insurance Reserve Fund	Pension Reserve Fund	Total General Fund
REVENUES					
Property taxes	\$5,714,091				\$5,714,091
Other taxes	194,637				194,637
Licenses and permits	458,873				458,873
Fines and forfeitures	33,636				33,636
Use of money & property	100,731	\$1,199			101,930
Intergovernmental revenues	35,314	155,402			190,716
Charges for services	403,366				403,366
Franchise fees	171,312				171,312
Other revenues	36,201				36,201
Total Revenues	7,148,161	156,601			7,304,762
EXPENDITURES					
Current:					
General government	807,507				807,507
Public safety:					
Police	1,835,360				1,835,360
Planning & development	1,084,628				1,084,628
Public works	941,347				941,347
Recreation (The Ranch)	53,902				53,902
Non-departmental	468,711		\$3,500		472,211
Total Expenditures	5,191,455		3,500		5,194,955
Excess (deficiency) of revenues over expenditures	1,956,706	156,601	(3,500)		2,109,807
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	156,601		4,025	\$100,000	260,626
Transfers to other funds	(1,972,949)	(156,601)			(2,129,550)
Total other financing sources (uses)	(1,816,348)	(156,601)	4,025	100,000	(1,868,924)
NET CHANGE IN FUND BALANCES	140,358		525	100,000	240,883
BEGINNING FUND BALANCES	3,787,449		56,279		3,843,728
ENDING FUND BALANCES	\$3,927,807		\$56,804	\$100,000	\$4,084,611

NON-MAJOR GOVERNMENTAL FUNDS

**CITY OF BELVEDERE
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019**

	Gas Tax	Equipment Replacement Fund	2017 Lease Revenue Bonds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments		\$25,000		\$25,000
Accounts receivable, net	\$3,806			3,806
Total Assets	\$3,806	\$25,000		\$28,806
LIABILITIES				
Accounts payable and other liabilities				
Due to other funds	\$3,806			\$3,806
Total Liabilities	3,806			3,806
FUND BALANCES				
Assigned		\$25,000		25,000
Total Fund Balances		25,000		25,000
Total Liabilities and Fund Balances	\$3,806	\$25,000		\$28,806

**CITY OF BELVEDERE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Gas Tax</u>	<u>Equipment Replacement Fund</u>	<u>2017 Lease Revenue Bonds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Use of money/property	\$1,055			\$1,055
Intergovernmental revenues	85,219	\$15,409		100,628
Total Revenues	<u>86,274</u>	<u>15,409</u>		<u>101,683</u>
EXPENDITURES				
Debt service:				
Principal			\$140,000	140,000
Interest and fiscal charges			114,176	114,176
Capital outlay		194,865		194,865
Total Expenditures		<u>194,865</u>	<u>254,176</u>	<u>449,041</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>86,274</u>	<u>(179,456)</u>	<u>(254,176)</u>	<u>(347,358)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds		62,616	254,176	316,792
Transfers to other funds	(86,274)			(86,274)
Total other financing sources (uses)	<u>(86,274)</u>	<u>62,616</u>	<u>254,176</u>	<u>230,518</u>
NET CHANGE IN FUND BALANCES		(116,840)		(116,840)
BEGINNING FUND BALANCES		<u>141,840</u>		<u>141,840</u>
ENDING FUND BALANCES		<u>\$25,000</u>		<u>\$25,000</u>

CITY OF BELVEDERE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance with Final-Positive (Negative)
Revenues			
Use of money/property			
Intergovernmental revenues	<u>\$15,600</u>	<u>\$15,409</u>	<u>\$191</u>
Total revenues	<u>15,600</u>	<u>15,409</u>	<u>191</u>
Expenditures			
Capital outlay	<u>45,600</u>	<u>194,865</u>	<u>(149,265)</u>
Total expenditures	<u>45,600</u>	<u>194,865</u>	<u>(149,265)</u>
Excess of revenues over (under) expenditures	<u>(30,000)</u>	<u>(179,456)</u>	<u>149,456</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u></u>	<u>62,616</u>	<u>(62,616)</u>
Total other financing sources (uses)	<u></u>	<u>62,616</u>	<u>(62,616)</u>
NET CHANGE IN FUND BALANCE	(30,000)	(116,840)	212,072
FUND BALANCE AT BEGINNING OF YEAR	<u>97,957</u>	<u>141,840</u>	<u>(43,883)</u>
FUND BALANCE AT END OF YEAR	<u><u>\$67,957</u></u>	<u><u>\$25,000</u></u>	<u><u>\$168,189</u></u>

CITY OF BELVEDERE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance at July 1, 2018	Additions	Deletions	Balance June 30, 2019
Corinthian Island Assessment District				
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>
2016 Avenue Assessment District				
Assets:				
Cash and investments:				
Redemption fund	\$472,754	\$1,205,197		\$1,677,951
Other receivable	6,335	150,770	\$6,335	150,770
Total assets	<u>\$479,089</u>	<u>\$1,355,967</u>	<u>\$6,335</u>	<u>\$1,828,721</u>
Liabilities:				
Accounts payable	\$21,529	\$192,730	\$21,529	\$192,730
Due to special assessment districts	457,560	1,163,237	(15,194)	1,635,991
Total liabilities	<u>\$479,089</u>	<u>\$1,355,967</u>	<u>\$6,335</u>	<u>\$1,828,721</u>
Belvedere-Tiburon Library Agency				
Assets:				
Library fund		\$12,971	\$3,917	\$9,054
Accounts receivable	\$3,917	22,310	3,917	22,310
Total assets	<u>\$3,917</u>	<u>\$35,281</u>	<u>\$7,834</u>	<u>\$31,364</u>
Liabilities:				
Accounts payable	\$3,917	\$22,709	\$3,917	\$22,709
Due to library		12,572	3,917	8,655
Total liabilities	<u>\$3,917</u>	<u>\$35,281</u>	<u>\$7,834</u>	<u>\$31,364</u>
Total Agency Funds				
Assets:				
Cash and investments:				
Redemption fund	\$472,754	\$1,205,197		\$1,677,951
Reserve fund	33,704			33,704
Library fund		12,971	\$3,917	9,054
Other receivable	10,252	173,080	10,252	173,080
Total assets	<u>\$516,710</u>	<u>\$1,391,248</u>	<u>\$14,169</u>	<u>\$1,893,789</u>
Liabilities:				
Accounts payable	\$25,446	\$215,439	\$25,446	\$215,439
Due to special assessment districts	491,264	1,163,237	(15,194)	1,669,695
Due to library		12,572	3,917	8,655
Total liabilities	<u>\$516,710</u>	<u>\$1,391,248</u>	<u>\$14,169</u>	<u>\$1,893,789</u>

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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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,639,246	\$ 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
Restricted	941,270	395,508	-	-	-	-	-	-	-	-
Unrestricted	(2,626,949)	(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
Total governmental activities net position	<u>\$ 4,953,567</u>	<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>
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	\$ 6,639,246	\$ 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
Restricted	941,270	395,508	-	-	-	-	-	-	-	-
Unrestricted	(2,626,949)	(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
Total primary government net position	<u>\$ 4,953,567</u>	<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>

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>2019</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>
Expenses										
Governmental activities:										
General government	\$ 846,917	\$ 676,830	\$ 984,634	\$ 681,073	\$ 839,551	\$ 1,028,858	\$ 1,238,851	\$ 1,172,786	\$ 898,233	\$ 792,680
Public safety	3,054,707	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
Planning and development	932,726	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
Public works	1,347,896	1,498,256	879,207	960,194	916,263	1,083,090	873,506	862,370	921,415	902,579
Recreation (The Ranch)	53,902	52,364	82,528	81,833	99,253	74,807	346,405	45,443	42,233	37,561
Library*	-	737,549	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894
Non-departmental	472,211	3,946,407	637,224	371,348	401,903	-	261,670	231,431	193,232	157,913
Interest on long-term debt	114,176	114,535								
Unallocated depreciation expense	-	-	380,138	310,089	294,135	273,435	-	-	-	-
Total governmental activities expenses	<u>6,822,535</u>	<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>
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>\$ 6,822,535</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 22,388	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603
Public safety	15,259	124,752	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300
Planning and development	764,018	1,024,348	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464
Public works	267,460	322,032	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576
Community Center	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	27,329	10,143	-	-	-	-	-	-	-	-
Capital grants and contributions	20,259	131,058	-	-	-	-	-	-	-	-
Total governmental activities program revenue	<u>1,116,713</u>	<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>
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>\$ 1,116,713</u>	<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>

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (Expense)/Revenue										
Governmental activities	\$ (5,705,822)	\$ (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)
Total primary government net expense	<u>\$ (5,705,822)</u>	<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>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 6,600,347	\$ 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
Other taxes	194,637	200,676	161,677	142,479	115,208	199,457	247,757	850,245	791,767	779,662
Use of money/property	113,366	84,183	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202
Intergovernmental revenues	309,413	1,030,510	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425
Franchise fees	171,312	188,760	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265
Other	36,201	80,777	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045
Transfers	-	-	-	-	-	-	107,224	-	83,788	111,504
Total governmental activities	<u>7,425,276</u>	<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>
Total primary government	<u>\$ 7,425,276</u>	<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>
Change in Net Position										
Governmental activities	\$ 1,719,454	\$ (1,845,744)	\$ 215,488	\$ 450,829	\$ 283,830	\$ (620,197)	\$ (773,102)	\$ (273,501)	\$ (567,181)	\$ 158,045
Total primary government	<u>\$ 1,719,454</u>	<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>

Source: City Finance Department

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

	Program Revenues									
	<u>2019</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>
Function/Program										
Governmental activities:										
General government	\$ 22,388	\$ 22,246	\$ 18,106	\$ 15,058	\$ 12,523	\$ 28,748	\$ 23,101	\$ 33,022	\$ 21,936	\$ 22,603
Public safety	15,259	124,752	120,445	112,626	53,245	19,933	11,822	17,265	21,889	29,300
Planning and development	764,018	1,024,348	717,054	726,619	981,766	572,953	725,821	912,270	521,575	881,464
Public works	267,460	322,032	274,710	262,117	160,412	234,795	269,865	245,991	175,804	231,576
Other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>1,069,125</u>	<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>
Total primary government	<u>\$ 1,069,125</u>	<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>

Source: City Finance Department

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

	Fiscal Year									
	<u>2019</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>
General Fund										
Nonspendable	\$ 303,533	\$ 293,304	\$ 26,910	\$ 31,422	\$ 16,150	\$ 10,476	\$ 9,923	\$ 413,142	\$ 410,817	\$ 414,848
Restricted	-	-	101,510	98,995	77,808	61,322	53,831	44,372	50,946	36,644
Committed	-	-	-	-	-	-	-	-	-	-
Assigned*	3,042,646	2,771,480	56,279	257,592	157,592	58,839	-	-	-	-
Unassigned	<u>738,429</u>	<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>
Total general fund	<u>\$ 4,084,608</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	117,335	395,508	150,000	314,064	307,737	402,903	414,209	375,708	812,854	1,170,749
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	848,936	469,184	346,696	202,340	223,100	49,790	170,271	99,370	573,924	533,540
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>\$ 966,271</u>	<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>

* 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property taxes	\$ 6,600,347	\$ 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
Other taxes	194,637	199,533	161,677	142,479	115,208	199,457	247,757	850,245	91,767	779,662
Licenses and permits	458,873	585,449	443,611	453,404	367,059	411,600	442,153	409,990	330,151	333,733
Fines and forfeitures	33,636	152,589	23,123	21,786	368,789	22,925	122,770	232,881	23,073	354,942
Use of money/property	113,366	84,183	62,463	49,006	44,630	42,091	54,201	61,607	67,407	74,202
Intergovernmental*	357,001	1,172,854	1,011,073	872,228	841,403	885,324	825,388	808,829	746,210	739,425
Charges for services	576,616	755,340	663,581	641,228	472,098	421,905	465,686	565,677	387,979	476,268
Franchise fees	171,312	188,760	163,322	170,673	152,253	158,671	169,881	128,336	123,028	113,265
Other revenues	36,201	80,777	36,245	153,889	119,985	150,689	68,561	71,146	43,798	55,045
Total revenues	8,541,989	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
Expenditures										
General government	807,507	764,731	1,400,066	1,094,516	1,155,569	967,926	1,182,562	1,141,306	844,598	736,715
Public safety	3,365,842	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
Planning and development	1,084,628	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
Public works	941,347	923,184	815,975	828,348	769,864	862,315	756,043	704,076	798,718	773,627
Community Center	53,902	52,364	53,682	53,019	70,380	46,141	317,976	18,294	16,343	12,516
Non Departmental	472,211	3,946,407								
Library*	-	737,549	706,667	631,726	600,217	596,645	545,294	533,126	528,273	520,894
Capital outlay	1,219,915	645,610	391,514	478,347	713,514	539,046	418,652	1,301,304	706,654	883,377
Debt service										
Interest	114,176	114,535						-	-	-
Principal	140,000	60,000								
Total expenditures	8,199,528	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
Excess of revenues over (under) expenditures	342,461	(2,092,322)	705,696	537,475	271,594	(455,431)	(734,479)	(1,027,236)	(1,570,014)	(351,494)
Other Financing Sources (Uses)										
Capital Lease	-	2,655,000								
Transfers in	1,955,198	1,303,514	931,088	908,952	1,015,062	513,794	717,043	561,178	697,167	805,051
Transfers out	(1,955,198)	(1,303,514)	(931,088)	(908,952)	(1,015,062)	(513,794)	(609,819)	(561,178)	(613,379)	(693,547)
Total other financing sources (uses)	-	2,655,000	-	-	-	-	107,224	-	83,788	111,504
Net change in fund balances	\$ 342,461	\$ 562,678	\$ 705,696	\$ 537,475	\$ 271,594	\$ (455,431)	\$ (627,255)	\$ (1,027,236)	\$ (1,486,226)	\$ (239,990)
Debt service as a percentage of noncapital expenditures	3.6%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: City Finance Department

City of Belvedere
City-Wide Assessed Value and Estimated Actual Value of Taxable Property
Last Eight 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	.	1,922,973,878	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	.	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	.	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%
2018-19	2,239,363,669	16,947,764	52,590,698	15,721,130	11,026,344	2,313,596,917	1.1098	3,409,727,543	1.473778	67.85%

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 Eight Fiscal Years

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Commercial	12,408,533	12,598,426	12,807,652	12,888,797	13,182,251	13,498,200	16,613,844	16,947,764
Miscellaneous*	1,298,236	7,603,569	7,751,260	7,504,772	7,540,624	19,758,398	23,607,696	30,973,539
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	2,239,363,669
Unknown	15,042,000	18,757,000	20,231,500	21,117,416	10,324,956	1,986	2,026	0
Vacant	16,930,139	12,192,997	12,979,676	13,033,407	13,431,328	22,089,668	21,413,425	21,617,159
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	2,308,902,131
Unsecured	17,227,702	18,037,450	16,706,550	16,933,816	18,944,702	17,940,291	18,413,219	15,721,130
Less Exemptions	4,545,789	11,197,876	10,871,256	11,124,656	10,787,692	10,858,866	10,965,406	11,026,344
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	2,313,596,917

* Miscellaneous property typically includes recreational, tax exempt, church, school, day care, and cemetery property.

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 Eight Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Basic City and County Levy								
COUNTY GENERAL FUND	0.185000	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	0.207000
ALL OTHER COUNTY ENTITIES	0.608000	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	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	0.000000
2002 Series	0.000000	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	0.000000
2006 Series	0.017100	0.016700	0.016000	0.014800	0.006300	0.000000	0.000000	0.000000
2010 Refunding bond	0.012600	0.010200	0.012800	0.011700	0.010600	0.009900	0.009400	0.008800
MARIN COM COLLEGE	0.017500	0.017800	0.020400	0.018000	0.014700	0.010100	0.028800	0.027700
REED SCHOOL BONDS 2002	0.024300	0.000000	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	0.000000
REED UNION SCH- 2011 REFUNDING	0.000000	0.029200	0.034000	0.031200	0.029000	0.027200	0.022300	0.022400
REED UNION SCH- 2012 REFUNDING	0.000000	0.000000	0.006300	0.010700	0.009500	0.009100	0.008600	0.006800
REED UNION SCH- 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.003500	0.001900
REED ELEM SCH BD'06	0.014000	0.013400	0.004300	0.000000	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	0.006800
TAMALPAIS UHSD 2014 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.006400	0.011800	0.010400	0.010200
MARIN COM COLLEGE 2015 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.001800	0.001800	0.001800	0.001700
MARIN COM COLLEGE 2016 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.002300	0.003200	0.001900
MARIN COM COLLEGE 2017 REFUNDING	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.002600
MARIN HEALTHCARE-MEASURE	0.000000	0.000000	0.000000	0.000000	0.023500	0.009300	0.020100	0.019000
TOTAL	0.114700	0.104600	0.103600	0.095100	0.109800	0.088600	0.115200	0.109800
TOTAL TAX RATE	1.114700	1.104600	1.103600	1.095100	1.109800	1.088600	1.115200	1.109800

Source: Marin County Auditor data, Avenu Insights

City of Belvedere
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2018-19		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Golden Gate Holdings Llc	49,419,000	2.14%		
Belvedere Land Company Partner	40,596,128	1.75%	37,963,355	2.47%
Pampalone Trust	26,395,320	1.14%		
Waters Edge Apts Lp	18,629,024	0.81%		
101 Belvedere Llc	16,126,200	0.70%		
Winslow Clark Sharon Living	15,019,812	0.65%		
345 Golden Gate Ave Ca Llc	14,250,000	0.62%		
Inj Llc	13,715,536	0.59%		
Settling Ltd.	13,632,323	0.59%		
Cliff Partners Llc	13,254,900	0.57%		
Koogle Timothy A	13,230,034	0.57%	6,485,000	0.42%
Grand Stephen Nancy J Joint	12,921,320	0.56%		
Drebes Lawrence T Jr	12,640,856	0.55%	11,169,369	0.73%
Dillard Family Trust 2003	12,120,595	0.52%		
Price Andrew G Alexa T Living	11,179,200	0.48%		
Silberstein Stephen M Revoc Tr	11,090,730	0.48%		
Yen Hui Hsien Bert	11,090,730	0.48%		
Kawishiwi Partners Revocable T	10,864,910	0.47%		
27 Bellevue Llc	10,281,374	0.44%		
Burillo Javier	10,051,796	0.43%	8,780,109	0.57%
39 Belvedere Llc	9,946,265	0.43%		
Cana Properties Llc	9,448,245	0.41%		
Janney Daniel S	8,993,001	0.39%	10,977,045	0.71%
Mwvnmvwm Ltd..	8,580,801	0.37%		
Golden Gate Belvedere Llc	8,219,160	0.36%		
Winslow Clark J			19,000,000	1.24%
Settling Ltd			15,300,000	1.00%
Kahn Philippe R Tr			15,050,269	0.98%
Murphy Glenn K			9,945,000	0.65%
Richards Albert			9,599,461	0.63%
425 Belvedere Associates Llc			9,278,351	0.60%
Faithfort Entrps Inc			8,438,000	0.55%
De Somma Leonard B			8,256,400	0.54%
Schneider James A			8,211,897	0.53%
Syman Gary A Tr			8,159,805	0.53%
Dixon William R Jr			7,721,420	0.50%
Kelley Elizabeth S Tr			7,708,000	0.50%
Du Molin James R			7,021,986	0.46%
Luz 37 West Shore Llc			7,000,000	0.46%
Lockshin Steven D Tr			6,981,609	0.45%
Hilpert Dale W			6,938,584	0.45%
Gilliland Gloria J Tr			6,847,125	0.45%
Brown Janet Tr			6,673,000	0.43%
Goldberg Fred S Tr			6,652,854	0.43%
Safiri Zohreh			6,310,206	0.41%
Total Top 25 Taxpayers	381,697,260	16.50%	256,468,845	16.70%
Total Taxable Value	2,313,596,917	100.00%	1,535,653,469	100.00%

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
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 %
2019	4,657,434	4,657,434	100.00 %	-	4,657,434	100.00 %

Sources: City Finance Department

City of Belvedere
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2018-19		2009-10	
Taxpayer	Business Type	Taxpayer	Business Type
Ann Hoskins Interiors	Miscellaneous Retail	Agins Interiors	Miscellaneous Retail
Bayside Garden Center	Miscellaneous Retail	Ann Hoskins Interiors	Miscellaneous Retail
Carmen Freiburger Design Services	Miscellaneous Retail	Bayside Garden Center	Miscellaneous Retail
Carol Mac Carron	Furniture/Appliance	Corinne Matthews Wiley	Furniture/Appliance
Corinne Matthews Wiley	Furniture/Appliance	Corinthian Yacht Club	Restaurants
Corinthian Yacht Club	Restaurants	Cuthrell & Daughter Interiors	Miscellaneous Retail
Daimler Trust	Leasing	G.G.Green Interiors	Miscellaneous Retail
Diana J.Bradley	Miscellaneous Other	Gwen Price Interiors	Miscellaneous Retail
Elena Shaftan	Miscellaneous Retail	Hot Foot America	Chemical Products
Fenzi Media Group	Light Industry	Karen Johnson Designs	Apparel Stores
Hot Foot America	Chemical Products	Katherine Hill Interiors	Miscellaneous Retail
Katherine Hill Interiors	Miscellaneous Retail	Kilpatrick Design	Miscellaneous Retail
Kathy Best Interior Design	Miscellaneous Retail	Linda Applewhite & Associates	Business Services
Kristina Hackwell	Miscellaneous Retail	Lite Watt	Electronic Equipment
Laura Smith Blair	Business Services	Little Pickle Press	Miscellaneous Retail
Linda Applewhite & Associates	Business Services	Nancy Freed Interiors	Miscellaneous Retail
MH Interior Design	Miscellaneous Retail	P.J.Svanfeldt	Office Equipment
Michelle Friend	Miscellaneous Retail	Paradiso Interiors	Miscellaneous Retail
Ming's Restaurant	Restaurants	R & S Service	Service Stations
Nature's Images	Miscellaneous Retail	Reading Room	Miscellaneous Other
Purple Monkey Hair	Apparel Stores	Robert Collins Fine Art	Business Services
R & S Service	Service Stations	Spindler Textiles	Miscellaneous Retail
Spindler Textiles	Miscellaneous Other	St. Stephen's Episcopal Church	Health & Government
The San Francisco Yacht Club	Miscellaneous Retail	Suzanne Du Molin Interior Design	Miscellaneous Retail
Virginia De-Maria Interiors	Miscellaneous Retail	The San Francisco Yacht Club	Miscellaneous Retail

Source: Avenu Insights & Analytics

November 26, 2019

Ms. Lori Church
 Avenu Insights & Analytics
 7625 N. Palm Ave., Suite 108
 Fresno, CA 93711

CITY OF BELVEDERE

2018-19 Assessed Valuation: \$2,316,934,205

	Total Debt		City's Share of
	<u>6/30/19</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/19</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Marin Community College District	\$462,100,000	2.954%	\$13,650,434
Tamalpais Union High School District	101,995,000	4.969	5,068,132
Reed Union School District	25,060,000	25.382	6,360,729
Marin Healthcare District	372,690,000	3.553	13,241,676
Belvedere-Tiburon Library Community Facilities District No. 95-1	740,000	29.277	216,650
Marin County Open Space Community Facilities District No. 1993-1	1,833,054	35.021	641,954
Marin County Open Space Community Facilities District No. 1997-1	21,833,054	35.021	641,954
City of Belvedere 1915 Act Bonds	11,118,432	100.	11,118,432
Marin Emergency Radio Authority Parcel Tax Obligations	33,000,000	2.949	<u>973,170</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$51,913,131
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Marin County General Fund Obligations	\$85,234,007	2.949%	\$2,513,551
Marin County Pension Obligation Bonds	84,770,000	2.949	2,499,867
Marin County Transit General Fund Obligations	69,502	2.949	2,050
Marin Municipal Water District General Fund Obligations	56,544	3.762	2,127
Marin Community College District General Fund Obligations	13,360,834	2.954	394,679
City of Belvedere General Fund Obligations	2,500,353	100.	<u>2,500,353</u> (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$7,912,627
TOTAL DIRECT DEBT			\$2,500,353
TOTAL OVERLAPPING DEBT			\$57,325,405
COMBINED TOTAL DEBT			\$59,825,758 (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	2.24%
Total Direct Debt (\$2,500,353)	0.11%
Combined Total Debt.....	2.58%

AB:(\$500)

**City of Belvedere
Demographic and Economic Statistics
Last Eight Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (5)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (4)	County Population (1)
2011-12	2,090	239,074,285	114,390	55.3	5,240	7.0%	8.0%	254,790
2012-13	2,086	242,681,214	116,338	54.0	5,415	6.3%	6.9%	254,007
2013-14	2,094	264,608,310	126,365	55.2	5,616	5.0%	3.9%	255,846
2014-15	2,121	284,498,617	134,134	56.8	5,711	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
2018-19	2,148	308,104,867	143,438	53.5	6,407	1.9%	2.3%	262,879

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
City Manager's Office	2	2	2	2	2	2	3	3	2	2
Finance	2	1	1	1	1	1	1	1	1	1
Planning	2.5	3	3	4	4	4	3	4	4	4
Public Safety										
Officers	5	7	7	7	6	6	7	7	7	7
Civilians	-	1	1	1	1	1	1	1	1	1
Building Inspection	2.5	3	2	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>18</u>	<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>

Source: City Finance Department

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

<u>Function/Program</u>	Fiscal year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Building permits issued	239	268	284	205	267	287	292	281	284	270
Building inspections conducted	2,325	2,607	2,320	2,551	2,568	2,196	1,869	2,130	1,668	1,573
Police										
Physical arrests	4	8	10	15	10	10	18	27	33	26
Parking violations	200	270	386	571	427	232	236	183	155	178
Traffic violations	40	12	47	56	82	98	86	129	136	135
Public Works										
Encroachment permits issued	334	534	606	560	528	584	651	686	546	560
Road closures	40	44	44	35	27	57	160	162	107	119
Planning Department										
Applications received	430	537	460	264	433	420	470	473	411	400
Applications approved	354	428	455	230	339	425	334	363	316	293

Source: City Finance Department

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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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