

CITY OF **BELMONT** CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, **2020**



MISSION

To enrich the quality of life for our community with the services provided for a safe, fulfilling and vibrant life.

VISION

We are celebrated for enhancing:

- Distinctive community character
- Easy mobility
- Natural beauty
- Thriving culture
- Thriving economy



WWW.BELMONT.GOV

CITY OF BELMONT, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

Prepared by
FINANCE DEPARTMENT

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INTRODUCTORY SECTION



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Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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Message from the Finance Director

October 8, 2020

To the Citizens of the City of Belmont, California:

We are pleased to present the City of Belmont's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The following pages in this transmittal are intended to summarize and highlight the City's financial results for the fiscal year just ended and complement the Management's Discussion & Analysis (MD&A) and basic financial statements.

The MD&A, which provides a more comprehensive look at the City's financial results, includes a narrative introduction, overview and analysis. Readers are encouraged to read the MD&A, which can be found immediately following the independent auditor's report in the financial section of the CAFR, along with accompanying basic financial statements.

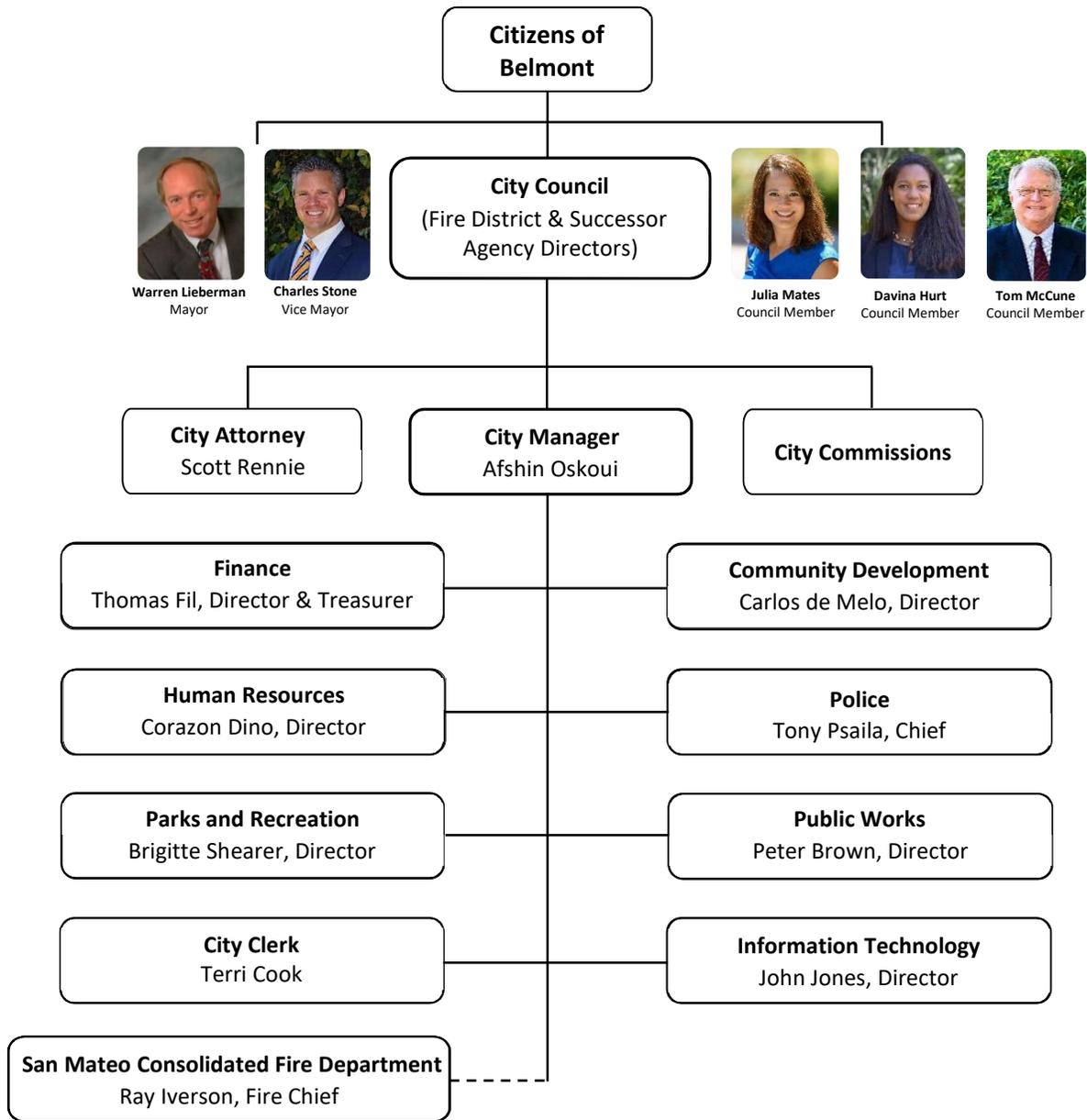
The preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

Respectfully,



Thomas E. Fil, CPA, CPFO
Finance Director

Organizational Chart and Principal Officials



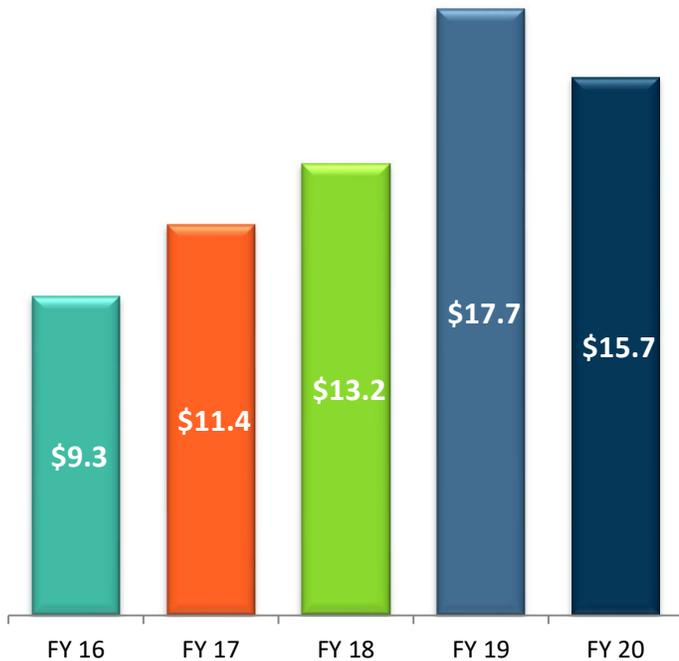
About City of Belmont

The City of Belmont, incorporated in 1926, is located on the San Francisco peninsula, midway between San Francisco and San Jose. The City of Belmont operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The City Council is responsible, amongst other things, for passing ordinances, adopting the budget, appointing commissions, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services including police and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; community development; parks; recreational activities; and general government activities.

General Fund Results

**General Fund Balance Trends
(millions)**



The City has been impacted by the coronavirus pandemic. As a result of prior year successes in stabilizing operations, a General Fund balance is available to partially mitigate the effects of the pandemic. FY 2020 also marked a year where the City's investment in addressing deferred maintenance was substantial. However, the risk exposure from aging infrastructure remains significant.

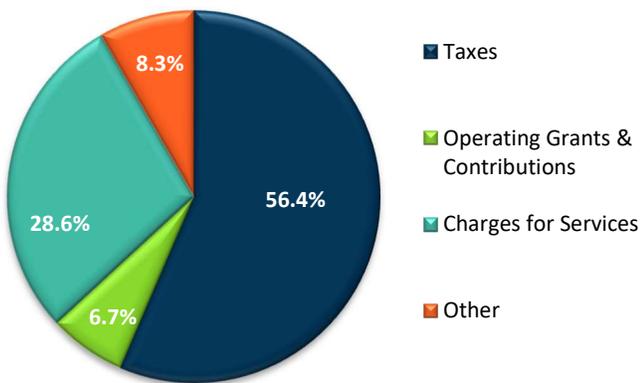
FY 2020 revenues increased to \$28.3 million from \$27.8 million in prior year. Tax revenues were \$16.2 million, including \$1.6 million of Measure I revenue. Much of the reduction in sales taxes compared to prior year is due to a timing issue and has been deferred to FY 2021 due to the taxpayer deferral program created in response to the coronavirus pandemic.

FY 2020 expenditures were managed and below the final budget by \$2.4 million.

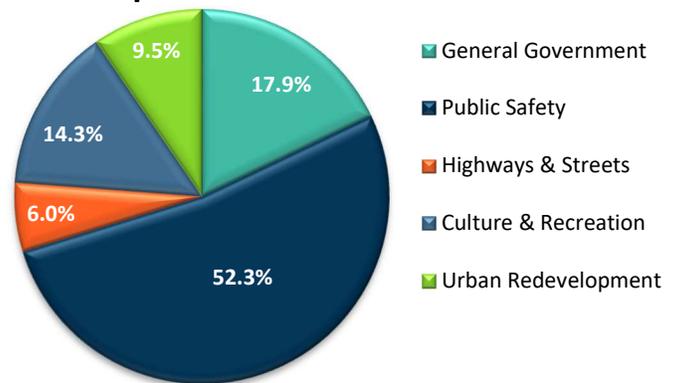
Looking forward, the FY 2021 Budget is balanced, despite the impacts of COVID-19, and provides a noteworthy \$24.0 million for capital projects. Moreover, the City Council established a target reserve policy of 33% of total General Fund operations, with a minimum of \$5 million, as prudent.

Governmental Fund Results

Revenues



Expenditures

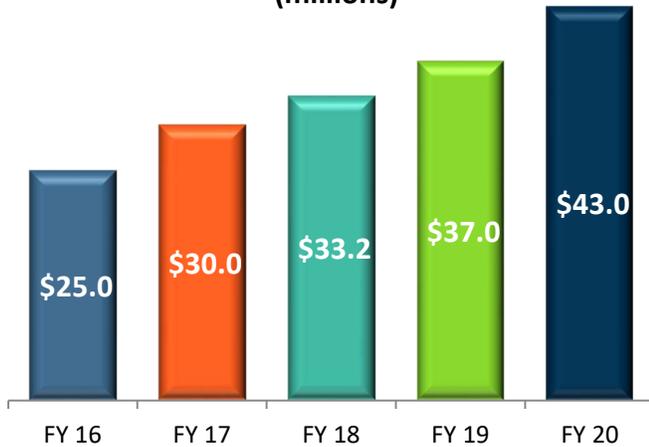


Belmont Fire Protection District

The San Mateo Consolidated Fire Department (SMC Fire) Joint Powers Authority (JPA) was established on November 22, 2017 by the City of San Mateo, the City of Belmont/Belmont Fire Protection District, and the City of Foster City/Estero Municipal Improvement District to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities. SMC Fire commenced operations on January 13, 2019.

Enterprise Fund Results

**Enterprise Fund Net Position
(millions)**



Operating revenues of \$17.4 million were 10.6% higher than last year, reflecting an increase in sewer charges.

Operating expenses decreased to \$10.6 million in the amount of \$1.6 million, mostly due to a reduction in costs related to a shared capital improvement project in sewer collections.

The FY 2021 Budget includes a massive \$12.0 million in sewer capital improvements.

Long-Term Debt

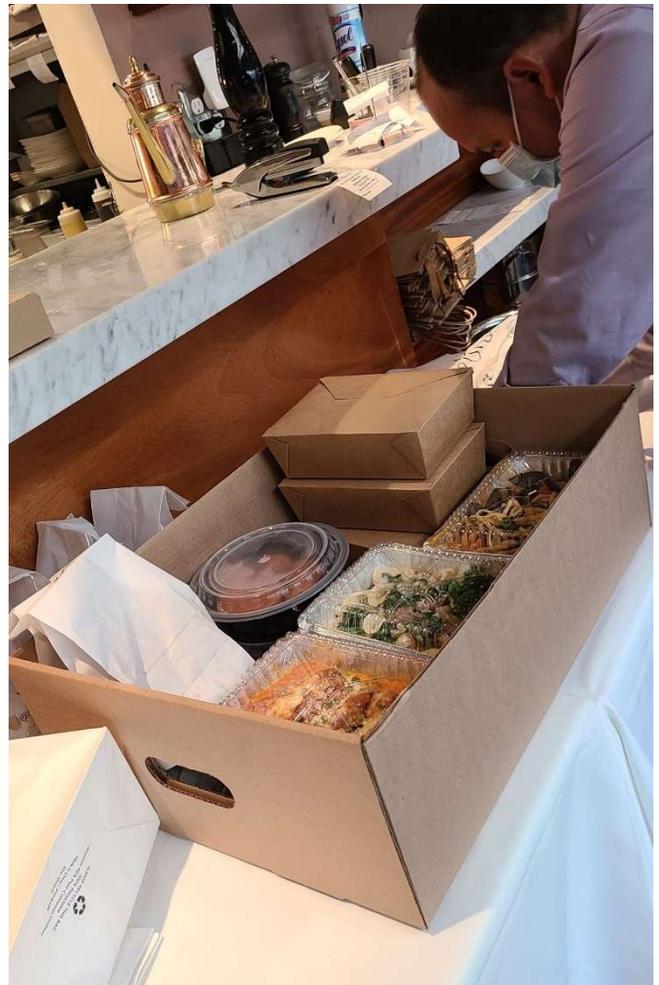
At the end of fiscal year 2020, the City had a total of \$83.2 million in long-term debt. In December 2019, the City entered into a Lease-Sublease agreement with the County of San Mateo to help finance the Installation of Synthetic Turf Project at the Belmont Sports Complex for \$6.0 million. The City also issued \$17.1 million in sewer collections revenue bonds to finance certain capital projects in the sewer collection system. The existing long-term debt does not include addressing deferred capital maintenance and retirement obligations discussed in greater detail below.

Cash Management

Cash temporarily idle during the year was invested in U.S. Government securities and with the State Treasurer's Local Agency Investment Fund (LAIF).

Risk Management

Since 2004, the City has purchased primary workers' compensation insurance with no deductible. All claims from that date are covered 100% by the carrier. Prior to 2004, the City maintained a self-insurance program for workers' compensation. The City also purchases commercial insurance against general liability above the City's self-insured retention of \$250,000.



Internal Control

Management is responsible for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

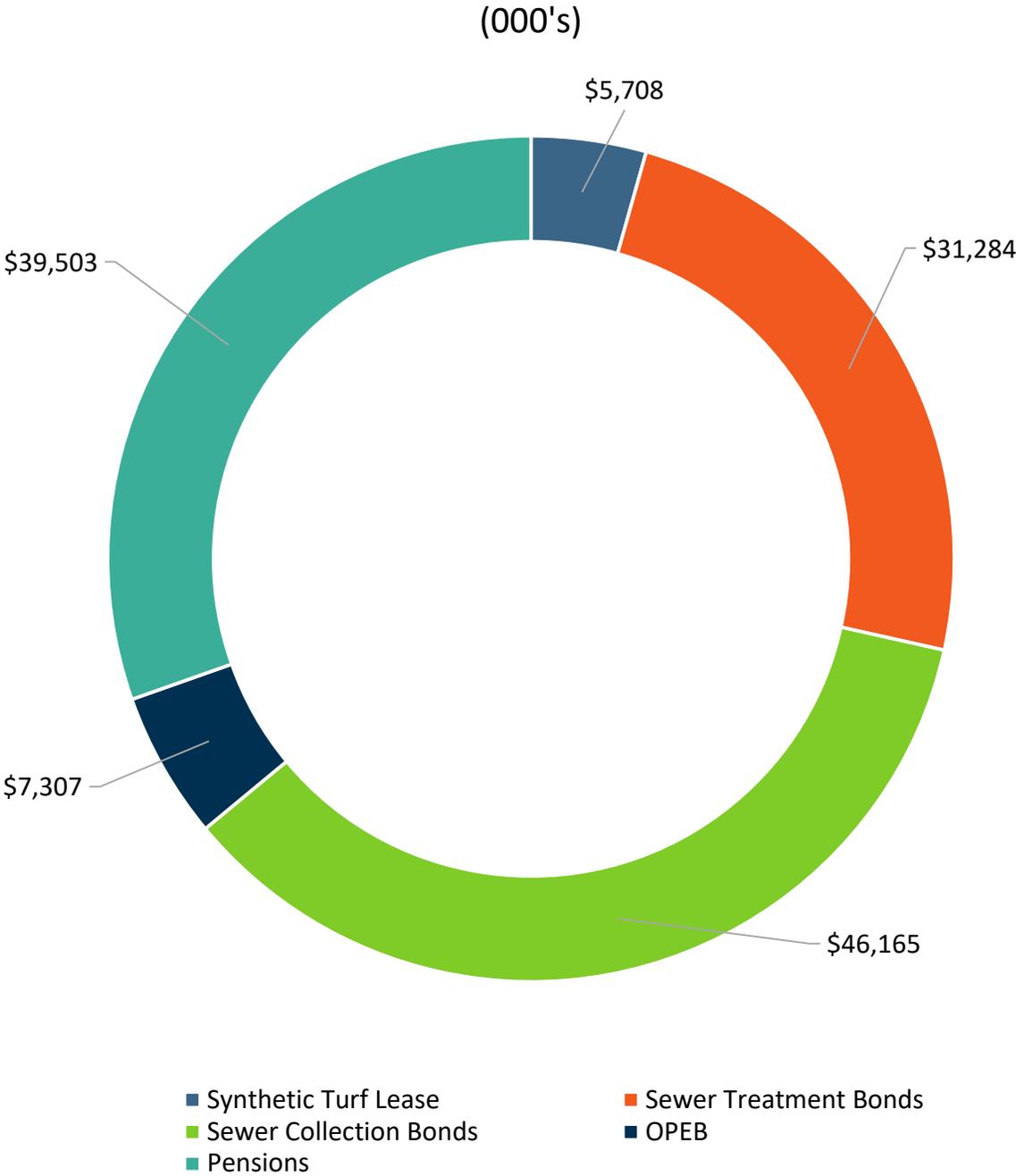
Long-Term Financial Planning & Major Initiatives

The City Council annually performs a review of the City’s strategic plan, including priorities and policy modifications. This year’s collaborative and productive discussions to address Belmont’s critical issues generated five Strategic Focus Areas to build on the City’s continued momentum and success. A unified vision for the future uses the following City Council focus areas as its roadmap for action over the next 3-5 years, as highlighted below.



Capital and Retirement Obligations

The charts below summarize the City's capital and retirement obligations as of June 30, 2020.





Facts and Statistics

2020 Population
26,813
↓

FTE Employees
City – 134.72
↓

Area
4.61 Sq. Miles

Parks & Recreation
Recreation Class Participants – 34,230
Developed Parks – 15 ↓
Acres of Open Space – 287.58
Acres of Developed Parks – 61.4

Permit Center
Permits Issued – 1,576 ↑
Inspections Performed – 5,824 ↓

Public Safety

Police
Calls for Service – 25,347 ↑
Parking Violations – 2,037 ↓
Physical Arrests – 358 ↓
Traffic Violations – 1,580 ↓

Fire
Calls for Service – 2,249 ↓
Plan Checks – 36 ↓
Annual Fire Inspections – 249 ↓

Public Works

Sewer
Miles of Sewer – 85
Sewer Connections – 7,687 ↑

Storm Drains
Miles of Storm Drains – 27
Storm Drain Inlets – 1,500

Streets
Miles of Streets – 70
Street Lights – 1,465
Traffic Signals – 18 ↑

Vision Statement

The City's Vision Statement typically drives Council's Strategic Focus Areas, goals and objectives, and includes the following areas:

- Distinctive Community Character
- Easy Mobility
- Natural Beauty
- Thriving Culture
- Thriving Economy



Top 10 Employers*

1. RingCentral, Inc.
2. Oracle America, Inc.
3. Roche Molecular Systems, Inc.
4. Safeway Store #1138
5. Silverado – Belmont Hills
6. Autobahn Motors
7. Volkswagen Group of America ERL
8. Nikon Precision, Inc.
9. Lunardi's Market
10. Planet Granite Belmont LLC

**Excludes governmental agencies and not for profit entities*



Request for Information

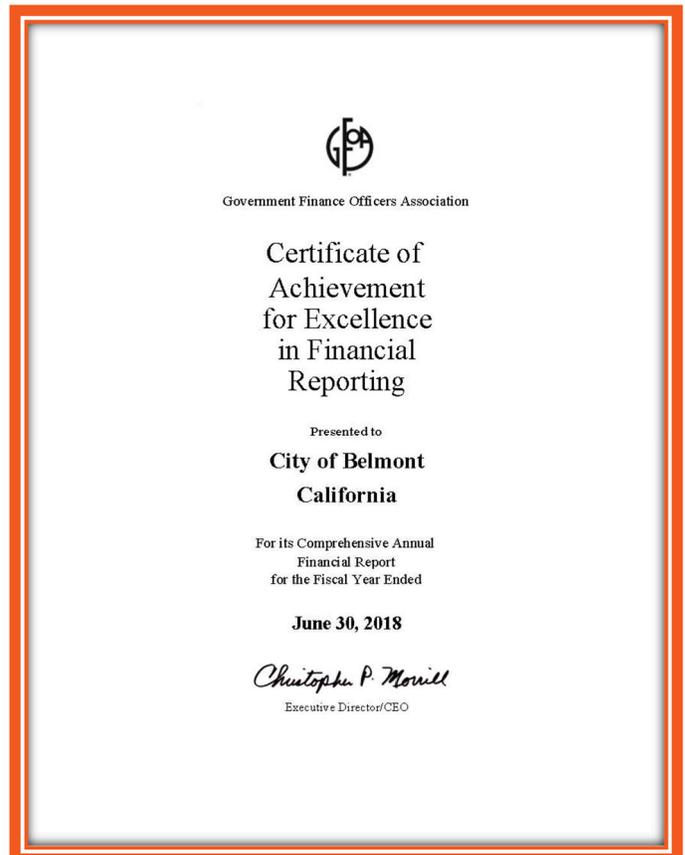
This financial report is designed to provide a general overview of the City of Belmont's finances for all those interested.

Questions concerning any information provided in this report should be addressed to the Finance Director or for additional information regarding the City's financial activities, including past award winning CAFRs, transparency efforts and best practices please visit the City at www.belmont.gov.

Contact Us:

Finance Director
Finance Department
Belmont City Hall
One Twin Pines Lane, Suite 320
Belmont, CA 94002

Phone (650) 595-7433
finance@belmont.gov



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont, California (City), as of and for the year ended June 30, 2020, 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 did not audit the financial statements of the San Mateo Consolidated Fire Department (SMC Fire) as of and for the year ended June 30, 2019, related to the calculation of the Investment in Joint Venture. The Investment in this Joint Venture represents 2%, 3% and 0% respectively, of total assets, net position and revenues of the governmental activities. The financial statements of the SMC Fire were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the calculation of the Investment in Joint Venture, is based solely on the report of the other auditors. The financial statements of the SMC Fire were not audited in accordance with *Government Auditing Standards*.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maye & Associates

Pleasant Hill, California
October 8, 2020

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**CITY OF BELMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In an effort to make these financial statements clearer and more understandable to readers, the City provides this discussion and analysis of its financial activities for the fiscal year ended June 30, 2020. Please read this document in conjunction with the Letter of Transmittal and accompanying Basic Financial Statements.

FINANCIAL HIGHLIGHTS

City-wide:

- City total assets increased by \$41.5 million to \$270.8 million, of which \$143.1 million represented governmental assets and \$127.6 million represented business-type assets.
- City total liabilities increased by \$29.1 million to \$141.2 million, of which \$56.0 million were governmental liabilities and \$85.2 million, were business-type liabilities.
- The City's total net position increased by \$11.2 million to \$137.6 million.
- City-wide revenues were \$72.3 million, of which \$52.3 million were generated by governmental activities and \$19.9 million were generated by business-type activities.
- City-wide expenses were \$61.1 million, of which \$47.2 million were incurred by governmental activities and \$13.9 million were incurred by business-type activities.

Fund Level:

- Governmental Fund balances increased \$4.8 million to \$50.2 million. Of this amount, \$13.0 million, or 25.9%, was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$52.9 million, an increase of \$2.1 million from prior fiscal year.
- Governmental Fund expenditures increased by \$5.3 million to \$52.8 million, from \$47.5 million in the prior year.
- Enterprise Fund net position increased by \$6.0 million to \$43.0 million. Of this amount, \$16.1 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues were \$17.4 million in fiscal year 2020 compared to \$15.7 million in the prior year.
- Enterprise Fund operating expenses were \$10.6 million, a decrease of \$1.6 million from \$12.2 million in the prior fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, which includes the Transmittal Letter and general information,
2. Management's Discussion and Analysis (this part),
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements along with the Notes to these financial statements,
4. Combining statements for Non Major Governmental Funds and Fiduciary Funds,
5. Successor Agency reporting, and
6. Statistical information.

The Basic Financial Statements

The Basic Financial Statements consist of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position—long-term and short-term.

The Government-wide Financial Statements provide a longer-term view of the City's activities as a whole, and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the City's operations in more detail than the City-wide statement and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The Government-wide Financial Statements

All of the City's basic services are considered Governmental activities, including: general government, public safety, highways and streets, culture and recreation, urban development, and miscellaneous. These services are supported by the City's general revenues, such as taxes, and by specific program revenues, such as fees.

All of the City's enterprise activities are reported as Business-type activities, including sewer, storm drainage, and solid waste. Unlike governmental services, these activities are supported by charges paid by users based on the amount of service they use.

The City's governmental activities include the activities of separate legal entities: the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. The City is financially accountable for these entities.

Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

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 of Belmont, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds at the City of Belmont can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. Each Major Fund is presented individually with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, but other funds may change from year to year because of changes in the pattern of the City's activities.

The City has one Major Governmental Fund in fiscal year 2020 in addition to the General Fund, which is discussed in the Analysis of Major Governmental Funds section.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major governmental funds that are Special Revenue 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the city-wide financial statements.

The focus of governmental funds is narrower than that of government-wide financial statements, so 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 City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City of Belmont maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Belmont uses enterprise funds to account for its sewer, storm drain, and solid waste. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Belmont's various functions. The City of Belmont uses internal service funds to account for its workers compensation, liability, vision, benefit prefunding, fleet and equipment, facilities management, and other such services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sewer, Storm Drainage, and Solid Waste activities. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Statement. The City acts as an agent on behalf of others, holding amounts collected, and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements in this report.

Other Information

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position and changes in net position of the City's Governmental Activities (Tables 1 and 2) and Business-Type Activities (Tables 3 and 4) are presented in the City-wide Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1		
Governmental Net Position at June 30		
(in Thousands)		
	2020	2019
Current and other assets	\$66,927	\$59,693
Capital assets	76,203	69,522
Total assets	<u>143,130</u>	<u>129,215</u>
Deferred outflows related to pension	9,516	9,418
Deferred outflows related to OPEB	1,773	1,187
Total deferred outflows	<u>11,289</u>	<u>10,605</u>
Current and other liabilities	5,411	5,370
Long-term obligations outstanding	50,591	42,906
Total liabilities	<u>56,002</u>	<u>48,276</u>
Deferred inflows related to pension	1,670	1,579
Deferred inflows related to OPEB	2,128	501
Total deferred inflows	<u>3,798</u>	<u>2,080</u>
Net position:		
Net investment in capital assets	74,540	69,522
Restricted	26,494	24,040
Unrestricted	(6,415)	(4,098)
Total net position	<u><u>\$94,619</u></u>	<u><u>\$89,464</u></u>

Net Position

Net position may serve over time as a useful indicator of a government's financial position. This analysis focuses on the net position and year-to-year changes in net position of the City as a whole. As shown in Table 1 above, the City's governmental total net position is \$94.6 million, representing the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. During fiscal year 2020, the overall net position increased by \$5.2 million, or 5.8%, from \$89.5 million in fiscal year 2019. This Change in Net Position reflects an increase in the Statement of Activities as shown in Table 2 and is explained later in this report.

The largest portion, approximately \$74.5 million, of the City's net position represents its investment in infrastructure and other capital assets (e.g., land, buildings, other improvements, etc.) used in Governmental activities, net of amounts borrowed to finance that investment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the City's governmental net position of \$26.5 million, or 28%, represents resources that are subject to restrictions that may only be used to construct specified capital projects, debt service, or special revenue programs. The restrictions on these funds were placed by outsiders and cannot be changed by the City.

Unrestricted net position can, when positive, be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Due to the recording of the net pension and OPEB liabilities and related deferred outflows/inflows of resources in the prior year, the unrestricted net position for governmental activities was a negative \$6.4 million, compared to a negative of \$4.1 million at the end of the prior fiscal year.

At the end of the fiscal year 2020, the City is able to report positive balances in all categories of net position for the governmental activities except for the unrestricted portion that was negative as indicated above.

Changes in Net Position

The Statement of Activities provides information about all the City's revenues and all its expenses, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

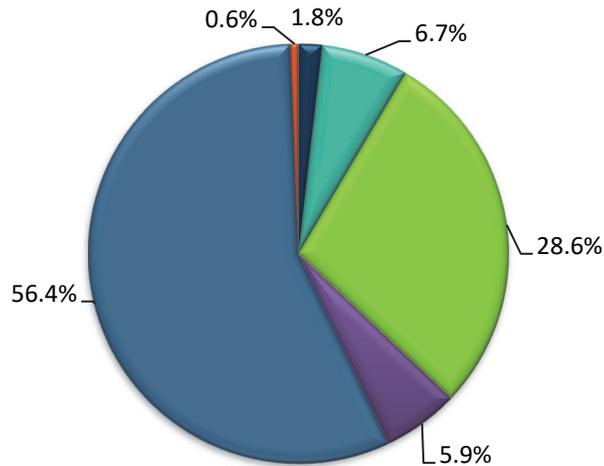
The City's Governmental activities net position increased by \$5.2 million. Governmental revenue increased by \$3.6 million to \$52.3 million. Compared to prior year, program revenues increased by \$1.6 million, or 4.4%. The governmental expenses increased by \$8.1 million to \$47.2 million.

Table 2
Changes in Governmental Net Position
(in Thousands)

	2020	2019
Revenues		
Program revenues:		
Charges for services	\$14,952	\$15,591
Operating grants and contributions	3,512	2,196
Capital grants and contributions	944	108
Total program revenues	19,408	17,895
General revenues:		
Taxes:		
Property taxes	19,237	18,038
Sales taxes	5,129	5,543
Transient occupancy	3,794	3,577
Franchise	1,383	1,339
Motor vehicle in lieu	3,077	2,987
Equity in (losses) of joint ventures		(2,581)
Other	320	1,954
Total general revenues	32,940	30,857
Total revenues	52,348	48,752
Expenses		
General government	8,462	5,622
Public safety	24,688	21,608
Highways and streets	2,769	2,845
Culture and recreation	6,728	5,754
Urban redevelopment	4,504	3,275
Interest on long-term debt	42	1
Total expenses	47,193	39,105
Change in net position	5,155	9,647
Net position-Beginning	89,464	79,817
Net position-Ending	\$94,619	\$89,464

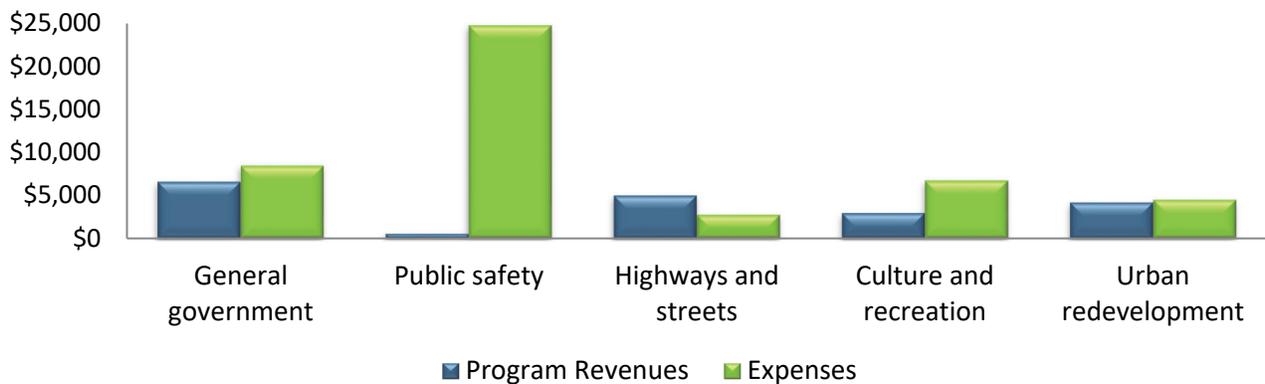
The following charts display the City’s governmental activities for fiscal year 2020, highlighting the proportionate elements of the Revenue and Expenses by program.

Revenues by Source Governmental Activities



- Capital grants and contributions
- Charges for services
- Taxes
- Operating grants and contributions
- Motor vehicle in lieu
- Investment earnings and rentals and other

Expenses and Program Revenues Governmental Activities (in thousands)



Business-Type Activities

The statement of Business-Type Net Position (Table 3) and statement of Business-Type Activities (Table 4) present a summary of the City’s business-type activities, which are composed of the City’s enterprise funds.

Net Position

As shown on Table 3 below, the net position of business-type activities were \$43.0 million in fiscal year 2020. This was a \$6.0 million or 16.3% increase over the beginning net position. This increase was attributable, in part, to revenues associated with the 9% sewer rate increase in fiscal year 2020. \$4.4 million or 10.3% of net position is invested in capital assets, net of related debt, while \$22.5 million is restricted for sewer treatment facility activities and \$16.1 million or 37.5% are unrestricted and available for the operations of the proprietary funds.

Table 3		
Business-Type Net Position at June 30		
(in Thousands)		
	2020	2019
Current and other assets	\$98,047	\$74,843
Capital assets	29,578	25,198
Total assets	127,625	100,041
Deferred outflows related to pension	904	859
Deferred outflows related to OPEB	183	161
Total deferred outflows	1,087	1,020
Current and other liabilities	4,743	2,597
Long-term debt outstanding	80,475	61,204
Total liabilities	85,218	63,801
Deferred inflows related to pension	251	258
Deferred inflows related to OPEB	220	14
Total deferred inflows	471	272
Net position:		
Net investment in capital assets	4,446	3,453
Restricted	22,464	20,219
Unrestricted	16,113	13,316
Total net position	\$43,023	\$36,988

Changes in Net Position

As shown on Table 4, total program revenues of business-type activities were \$17.5 million in fiscal year 2020, were relatively flat compared to the prior year. Of the \$2.5 million in investment earnings and miscellaneous, \$1.4 million was related to incoming transfers. Further detail may be found in Note 4A to the financial statements.

	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues:		
Charges for Services	\$17,360	\$15,690
Operating Grants and Contributions	98	16
Capital Grants and Contributions		1,709
Total program revenues	<u>17,458</u>	<u>17,415</u>
General Revenues and Transfers:		
Investment earnings and transfers	<u>2,483</u>	<u>988</u>
Total general revenues and transfers	<u>2,483</u>	<u>988</u>
Total revenues	19,941	18,403
Expenses		
Sewer	11,443	12,415
Storm Drainage	2,120	1,893
Solid Waste	343	285
Total expenses	<u>13,906</u>	<u>14,593</u>
Change in net position	6,035	3,810
Net position-Beginning	<u>36,988</u>	<u>33,178</u>
Net position-Ending	<u><u>\$43,023</u></u>	<u><u>\$36,988</u></u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of June 30, 2020, the City's Governmental Funds reported combined ending fund balances of \$50.2 million, an increase of \$4.6 million, or 10.4%, from the prior year. In comparison with the prior year, revenues increased by \$2.0 million to \$52.8 million, and expenditures increased by \$5.3 million to \$52.8 million.

Table 5 below summarizes Governmental balances at the fund level:

Table 5		
Financial Highlights at Fund Level		
(in Thousands)		
	2020	2019
Total assets	\$53,927	\$48,315
Total liabilities	3,275	2,800
Deferred Inflows	383	
Total fund balances	50,269	45,515
Total revenues	52,915	50,757
Total expenditures	52,793	47,469
Total other financing sources (uses)	4,632	720

Analysis of Major Governmental Funds

General Fund

As the principal operating fund of the City, the General Fund, by definition, is a Major Governmental fund. The General Fund accounted for 53.6% of total governmental revenues and 45.9% of total expenditures. A number of City services are accounted for in the General Fund, including public safety, general government, and culture and recreation.

At the end of the current fiscal year, the unassigned fund balance of the General Fund of \$13.0 million represents 82.6% of the \$15.7 million total fund balance. Since the unassigned fund balance represents available liquid resources for spending at the City's discretion, it may be useful to compare the unassigned fund balance to total fund expenditures. The City's unassigned fund balance represents 53.6%, or equates to 196 days, of total General Fund expenditures (excluding transfers out) for the year.

During fiscal year 2020, the total fund balance of General Fund decreased by \$2.0 million, representing a 11.3% decrease over the prior year. The decrease can be explained by the transfers out of the General Fund to help fund Capital Projects.

General Fund Budgetary Highlights: The fiscal year 2020 adopted budget for General Fund expenditures amounted to \$25.9 million (excluding \$6.7 million transfers out). The final budget amount was \$26.6 million.

General Fund revenues were \$28.3 million, below the final amended budget by \$1.1 million. The negative variance was driven primarily by impacts to tax revenue due to the Coronavirus global pandemic. Overall expenditures were below the final budget by \$2.4 million mainly due to the delay of a capital project that is expected to be completed in FY21.

Belmont Fire Protection District Fund

The Belmont Fire Protection District (the District) accounts for resources received by a special district, shown as a blended component unit, from the citizens of Belmont and the unincorporated Harbor Industrial Area to finance fire protection and suppression services.

At June 30, 2020, the fund balance increased \$3.1 million over the prior year. Overall revenues remained the same at \$13.3 million, with Taxes increasing through the continued strength in the local real estate market and a reduction in operational revenues with the establishment of the San Mateo Consolidated Fire Department. Overall expenditures decreased by \$2.9 million compared to prior year due in part to the consolidation of services with the San Mateo Consolidated Fire Department. Further detail may be found in Note 13 to the financial statements. As of June 30, 2020, the Belmont Fire Protection District has a \$5.0 million reserve set aside for replacing facilities.

Analysis of the Proprietary Funds

Sewer Collections

Operating revenues increased by \$1.6 million, or 14.2% to \$12.7 million, compared to prior year. This increase is driven by an increase in charges for services related to a 9% rate increase in the current year. Operating expenses decreased to \$8.0 million from \$9.9 million in the prior year. Net position totaled \$14.4 million, an increase of \$3.0 million from fiscal year 2019. Of this amount, \$13.4 million was unrestricted, including equity interest in SVCW (Note 13). The remaining \$1.0 million is a net investment in capital assets.

Sewer Treatment

Compared to prior year, operating revenues were flat at \$3.2 million and operating expenses were relatively unchanged at \$3.1 million. Net position totaled \$22.5 million, a \$2.3 million increase compared to fiscal year 2019, all of which is restricted for sewer treatment facility activities.

Storm Drainage Fund

This fund is used to account for the maintenance of the storm drain system and other activities related to the mandated National Pollution Discharge Elimination System (NPDES).

Storm drainage fund operating revenues, which consist primarily of NPDES storm drain charges and street sweeping charges, increased nominally to \$1.0 million. Operating expenses increased \$0.2 million to \$2.1 million. Net position totaled \$4.6 million, with \$3.4 million invested in capital assets and \$1.2 million in unrestricted net position.

Solid Waste Fund

Operating revenues and expenses were relatively flat at \$0.5 million and \$0.3 million respectively, from the prior year. Net position was \$1.5 million, which is not restricted as to use.

CAPITAL ASSETS

Capital assets recorded on the City's financial statements are shown in Table 6. Further detail may be found in Note 7 to the financial statements.

Table 6		
Capital Assets at June 30		
(in Thousands)		
	<u>2020</u>	<u>2019</u>
<i>Governmental Activities</i>		
Land	\$12,610	\$12,610
Construction in progress	7,108	1,110
Buildings	38,775	38,775
Improvements other than buildings	5,052	4,955
Streets and infrastructure	55,867	53,371
Machinery and equipment	6,306	5,621
Vehicles	4,617	4,158
Less accumulated depreciation	(54,132)	(51,078)
Totals	<u>\$76,203</u>	<u>\$69,522</u>
<i>Business-Type Activities</i>		
Land	\$15	\$15
Improvements other than buildings	48,064	41,904
Machinery and equipment	317	317
Less accumulated depreciation	(18,818)	(17,038)
Totals	<u>\$29,578</u>	<u>\$25,198</u>

The net increase of \$6.7 million for governmental activities in fiscal year 2020 consists primarily of a \$6.0 million increase in construction in progress related to street improvements (\$4.1 million) and the turf replacement (\$1.9 million).

Business-type activities' capital assets increased by \$4.4 million to \$29.6 million primarily from an increase in improvements other than buildings related to sewer infrastructure projects.

The City depreciates all capital assets over the estimated useful lives. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives can be found in Note 1 G to the financial statements.

DEBT ADMINISTRATION

Each of the City's debt is discussed in more detail in Note 8 to the financial statements. Scheduled retirements were made, which caused the reduction in debt. A summary of debt activity follows:

Table 7		
Outstanding Debt at June 30		
(in Thousands)		
	<u>2020</u>	<u>2019</u>
<i>Governmental Activity Debt:</i>		
Capital Lease:		
2019 Synthetic Turf Installation project, 2%, due 2029	\$5,708	
Subtotal Governmental Activity Debt	<u>5,708</u>	<u></u>
<i>Business-type Activities Debt – Sewer Enterprise Funds:</i>		
Long-Term Bonds Payable:		
2009 Sewer Revenue Bonds, 3%-5%, due 2042	7,145	\$7,330
2016 Sewer Refunding Revenue Bonds, 3%-5% due 2035	9,009	9,521
2016 Sewer Revenue Bonds, 2%-50% due 2046	15,875	15,984
2018 Sewer Treatment Revenue Bonds, 5% due 2048	24,139	24,445
2019 Sewer Collection Bonds, 5% due 2049	<u>21,281</u>	<u></u>
Subtotal Business-type Activities Debt	<u>77,449</u>	<u>57,280</u>
Total Long-Term Obligations	<u>\$83,157</u>	<u>\$57,280</u>

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department at One Twin Pines Lane, Suite 320, Belmont, CA 94002. Additional information about the City's operations and activities can be obtained from the website at www.belmont.gov.

<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 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 and deferred outflows of resources and all its liabilities and deferred inflows of resources, 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 City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Funds service these funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

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, current deferred outflows/inflows of resources, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. 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 and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, 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, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

CITY OF BELMONT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$53,253,765	\$49,930,712	\$103,184,477
Cash and investments with fiscal agent (Note 3)		5,913,340	5,913,340
Receivables:			
Accounts	2,258,667	728,911	2,987,578
Interest	369,646		369,646
Due from other governmental agencies	1,736,012	83,963	1,819,975
Notes receivable (Note 5)	1,788,230		1,788,230
Prepays and other assets	352,189		352,189
Land held for resale (Note 6)	3,315,328		3,315,328
Net OPEB asset (Note 11)	638,859		638,859
Investment in SVCW - Joint Venture (Note 13A)		41,390,270	41,390,270
Investment in SMC Fire - Joint Venture (Note 13A)	3,214,325		3,214,325
Capital assets (Note 7)			
Land and construction in progress	19,718,256	14,792	19,733,048
Depreciable assets, net	56,485,081	29,563,106	86,048,187
Total Assets	<u>143,130,358</u>	<u>127,625,094</u>	<u>270,755,452</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 10B)	9,516,014	903,366	10,419,380
Related to OPEB (Note 11)	1,773,173	183,342	1,956,515
Total Deferred Outflows of Resources	<u>11,289,187</u>	<u>1,086,708</u>	<u>12,375,895</u>
LIABILITIES			
Accounts payable and other liabilities	2,744,626	3,340,671	6,085,297
Deposits	703,719		703,719
Compensated absences (Note 1H)			
Due within one year	1,003,676	132,242	1,135,918
Due in more than one year	1,556,476	132,471	1,688,947
Long-term debt (Note 8)			
Due within one year	548,310	1,270,000	1,818,310
Due in more than one year	5,159,305	76,179,650	81,338,955
Net Pension Liability (Note 10)			
Due in more than one year	36,025,135	3,478,130	39,503,265
Net OPEB Liability (Note 11)			
Due in more than one year	7,261,416	684,757	7,946,173
Claims payable (Note 12)			
Due within one year	410,391		410,391
Due in more than one year	589,283		589,283
Total Liabilities	<u>56,002,337</u>	<u>85,217,921</u>	<u>141,220,258</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 10B)	1,670,033	250,976	1,921,009
Related to OPEB (Note 11)	2,127,945	220,025	2,347,970
Total Deferred Inflows of Resources	<u>3,797,978</u>	<u>471,001</u>	<u>4,268,979</u>
NET POSITION (Note 9)			
Net investment in capital assets	74,539,932	4,445,755	78,985,687
Restricted for:			
Capital projects	1,657,772		1,657,772
Special revenue programs:			
Belmont Fire Protection District	13,483,778		13,483,778
Senior Activities	85,863		85,863
Library Maintenance & Operations	1,033,288		1,033,288
City Trees	362,349		362,349
Supplemental Law Enforcement Services	38,239		38,239
Street Improvements Measure A Grants	682,742		682,742
Street Improvements State Gas Tax & SB1	1,533,769		1,533,769
Athletic Field Maintenance	324,158		324,158
Affordable Housing Successor Agency	3,618,577		3,618,577
Housing Inclusionary	3,266,240		3,266,240
Development Services	407,621		407,621
Sewer Treatment Facility Charge		22,464,351	22,464,351
Total Restricted Net Position	<u>26,494,396</u>	<u>22,464,351</u>	<u>48,958,747</u>
Unrestricted	(6,415,098)	16,112,774	9,697,676
Total Net Position	<u>\$94,619,230</u>	<u>\$43,022,880</u>	<u>\$137,642,110</u>

See accompanying notes to financial statements

CITY OF BELMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
General government	\$8,461,468	\$6,577,974	\$21,520		(\$1,861,974)	(\$1,861,974)
Public safety	24,687,962	404,688	179,798		(24,103,476)	(24,103,476)
Highways and streets	2,768,906	808,673	3,263,966	\$944,285	2,248,018	2,248,018
Culture and recreation	6,727,967	2,948,206	46,305		(3,733,456)	(3,733,456)
Urban redevelopment	4,504,187	4,212,747			(291,440)	(291,440)
Interest on long-term debt	41,615				(41,615)	(41,615)
Total Governmental Activities	47,192,105	14,952,288	3,511,589	944,285	(27,783,943)	(27,783,943)
Business-type Activities:						
Sewer Collections	10,066,509	12,711,450			\$2,644,941	2,644,941
Sewer Treatment	1,376,670	3,196,757			1,820,087	1,820,087
Storm Drainage	2,119,817	969,136			(1,150,681)	(1,150,681)
Solid Waste	343,075	482,843	98,099		237,867	237,867
Total Business-type Activities	13,906,071	17,360,186	98,099		3,552,214	3,552,214
Total	\$61,098,176	\$32,312,474	\$3,609,688	\$944,285	(27,783,943)	(24,231,729)
General revenues:						
Taxes:						
Property taxes					19,236,918	19,236,918
Sales taxes					5,128,787	5,128,787
Transient occupancy taxes					3,793,530	3,793,530
Franchise					1,383,475	1,383,475
Motor vehicle in lieu, unrestricted					3,076,967	3,076,967
Investment earnings and rentals					1,680,176	1,115,042
Miscellaneous					7,550	7,550
Transfers, net (Note 4A)					(1,367,824)	1,367,824
Total general revenues and transfers					32,939,579	2,482,866
Change in Net Position					5,155,636	6,035,080
Net Position-Beginning					89,463,594	36,987,800
Net Position-Ending					\$94,619,230	\$43,022,880

See accompanying notes to financial statements

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FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

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

GENERAL FUND

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services. The General Fund also accounts for Measure I, a half cent local district tax approved in 2016 that will expire in 30 years. This general tax funding source provides for street and road and storm drain repair.

BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

CITY OF BELMONT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	General	Belmont Fire Protection District	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments (Note 3)	\$15,324,084	\$12,754,116	\$17,679,586	\$45,757,786
Receivables:				
Accounts	433,457	100,947	32,351	566,755
Interest	369,646			369,646
Due from other governmental agencies Notes (Note 5)	973,163	587,489	175,360	1,736,012
Due from other funds (Note 4B)	51,011		1,788,230	1,788,230
Prepays and other assets	342,525			342,525
Land held for resale (Note 6)	298,748		3,016,580	3,315,328
Total Assets	<u>\$17,792,634</u>	<u>\$13,442,552</u>	<u>\$22,692,107</u>	<u>\$53,927,293</u>
LIABILITIES				
Accounts payable and other liabilities	\$1,096,076	\$37,276	\$1,387,010	\$2,520,362
Due to other funds (Note 4B)			51,011	51,011
Deposits	575,175		128,544	703,719
Total Liabilities	<u>1,671,251</u>	<u>37,276</u>	<u>1,566,565</u>	<u>3,275,092</u>
DEFERRED INFLOWS				
Unavailable revenue	382,944			382,944
Total Deferred Inflows	<u>382,944</u>			<u>382,944</u>
FUND BALANCES (Note 9)				
Nonspendable	641,273			641,273
Restricted		13,405,276	16,611,759	30,017,035
Committed for:				
Measure I Infrastructure	2,101,292			2,101,292
Special Revenue Programs			443,069	443,069
Assigned			4,070,714	4,070,714
Unassigned	12,995,874			12,995,874
Total Fund Balances	<u>15,738,439</u>	<u>13,405,276</u>	<u>21,125,542</u>	<u>50,269,257</u>
Total Liabilities and Fund Balances	<u>\$17,792,634</u>	<u>\$13,442,552</u>	<u>\$22,692,107</u>	<u>\$53,927,293</u>

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balances reported on the governmental funds balance sheet \$50,269,257

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and
therefore are not reported in the Governmental Funds. 76,203,337

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to
charge the costs of certain activities, such as insurance and central services and maintenance
to individual governmental funds. The net current assets of the Internal Service Funds are therefore
included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	7,495,979
Accounts receivable	1,691,912
Prepays and other assets	9,664
Accounts payable and other liabilities	(224,264)
Claims payable	(999,674)
Compensated absences	(203,473)

DEFERRED INFLOWS AND OUTFLOWS

The deferred outflows below are not current assets or financial resources; and the deferred inflows
are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows related to pensions	9,516,014
Deferred outflows related to OPEB	1,773,173
Deferred inflows related to pensions	(1,670,033)
Deferred inflows related to OPEB	(2,127,945)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not
reported in the Funds:

Net OPEB asset	638,859
Investment in JPA Equity	3,214,325
Long-term debt	(5,707,615)
Net OPEB liability	(7,261,416)
Compensated absences	(2,356,679)
Net pension liability	(36,025,135)
Recognition of tax revenue	382,944

NET POSITION OF GOVERNMENTAL ACTIVITIES \$94,619,230

See accompanying notes to financial statements

CITY OF BELMONT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	General	Belmont Fire Protection District	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$16,152,890	\$12,941,617	\$3,078,832	\$32,173,339
Licenses and permits	921,183		1,235,052	2,156,235
Fines and forfeitures	160,211			160,211
Use of money and property	1,542,224	192,566	335,803	2,070,593
Intergovernmental	4,273,318	207,566	1,625,240	6,106,124
Charges for current services	5,156,646		4,855,684	10,012,330
Miscellaneous	139,404		96,902	236,306
Total Revenues	28,345,876	13,341,749	11,227,513	52,915,138
EXPENDITURES				
Current:				
General government	6,251,896			6,251,896
Public safety	14,216,277	10,253,968	214,626	24,684,871
Highways and streets			2,312,159	2,312,159
Culture and recreation	2,286,974		3,610,644	5,897,618
Urban redevelopment			4,400,315	4,400,315
Capital outlay	1,493,552		7,418,569	8,912,121
Debt service:				
Principal			292,385	292,385
Interest and fiscal charges			41,615	41,615
Total Expenditures	24,248,699	10,253,968	18,290,313	52,792,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,097,177	3,087,781	(7,062,800)	122,158
OTHER FINANCING SOURCES (USES)				
Issuance of debt			6,000,000	6,000,000
Transfers in (Note 4A)			4,740,278	4,740,278
Transfers (out) (Note 4A)	(6,108,102)			(6,108,102)
Total Other Financing Sources (Uses)	(6,108,102)		10,740,278	4,632,176
NET CHANGE IN FUND BALANCES	(2,010,925)	3,087,781	3,677,478	4,754,334
BEGINNING FUND BALANCES	17,749,364	10,317,495	17,448,064	45,514,923
ENDING FUND BALANCES	\$15,738,439	\$13,405,276	\$21,125,542	\$50,269,257

See accompanying notes to financial statements

CITY OF BELMONT
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$4,754,334
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay and departmental expenditures are therefore added back to fund balance.	8,604,650
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Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$697,413 which has already been allocated to serviced funds)	(2,398,489)
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LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	292,385
Bond or lease issuance is deducted from fund balance	(6,000,000)

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):

Unearned revenue	382,944
Investment in SMC Fire - Joint Venture	646,400
Compensated absences	(103,324)
Pension expense	(2,371,582)
OPEB expense	475,593

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	<u>872,725</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$5,155,636</u></u>
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See accompanying notes to financial statements

CITY OF BELMONT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$17,233,172	\$17,897,854	\$16,152,890	(\$1,744,964)
Licenses and permits	1,044,600	1,044,600	921,183	(123,417)
Fines and forfeitures	170,000	170,000	160,211	(9,789)
Use of money and property	1,103,354	1,103,354	1,542,224	438,870
Intergovernmental	4,290,763	4,086,073	4,273,318	187,245
Charges for current services	5,176,890	5,176,890	5,156,646	(20,244)
Miscellaneous	5,657	5,657	139,404	133,747
Total Revenues	29,024,436	29,484,428	28,345,876	(1,138,552)
EXPENDITURES:				
Current:				
General government	6,336,578	6,489,917	6,251,896	238,021
Public safety	14,449,628	14,448,016	14,216,277	231,739
Culture and recreation	2,320,858	2,326,036	2,286,974	39,062
Capital outlay	2,748,000	3,349,861	1,493,552	1,856,309
Total Expenditures	25,855,064	26,613,830	24,248,699	2,365,131
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,169,372	2,870,598	4,097,177	1,226,579
OTHER FINANCING SOURCES (USES)				
Transfers out (Note 4A)	(5,963,851)	(6,696,616)	(6,108,102)	588,514
NET CHANGE IN FUND BALANCE	(\$2,794,479)	(\$3,826,018)	(2,010,925)	\$1,815,093
BEGINNING FUND BALANCE			17,749,364	
ENDING FUND BALANCE			\$15,738,439	

See accompanying notes to financial statements

CITY OF BELMONT
 BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$12,803,465	\$12,920,569	\$12,941,617	\$21,048
Use of money and property	125,850	125,850	192,566	66,716
Intergovernmental	111,924	111,924	207,566	95,642
Total Revenues	<u>13,041,239</u>	<u>13,158,343</u>	<u>13,341,749</u>	<u>183,406</u>
EXPENDITURES:				
Current:				
Public safety	9,684,325	10,240,520	10,253,968	(13,448)
Total Expenditures	<u>9,684,325</u>	<u>10,240,520</u>	<u>10,253,968</u>	<u>(13,448)</u>
NET CHANGE IN FUND BALANCE	<u>\$3,356,914</u>	<u>\$2,917,823</u>	3,087,781	<u>\$169,958</u>
BEGINNING FUND BALANCE			<u>10,317,495</u>	
ENDING FUND BALANCE			<u>\$13,405,276</u>	

See accompanying notes to financial statements

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PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2020.

SEWER COLLECTIONS FUND

To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

SEWER TREATMENT FUND

To account for capital improvements made to the Silicon Valley Clean Water Authority treatment plant and related capital improvements. Revenue for the improvements comes from the sewer treatment facility charge paid by users connected to the sanitary system.

STORM DRAINAGE FUND

To account for the maintenance of the storm drain system, street sweeping and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

NON-MAJOR FUND:

SOLID WASTE FUND

To account for operating costs associated with administering the solid waste franchise.

CITY OF BELMONT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste		
ASSETS						
Current Assets:						
Cash and investments (Note 3)	\$33,331,698	\$12,331,670	\$2,463,461	\$1,803,883	\$49,930,712	\$7,495,979
Cash and investments with fiscal agent (Note 3)	3,371,436	2,541,904			5,913,340	
Accounts receivable	532,505	174,883	21,523		728,911	1,691,912
Prepays and other assets						9,664
Due from other governmental agencies			43,536	40,427	83,963	
Total Current Assets	37,235,639	15,048,457	2,528,520	1,844,310	56,656,926	9,197,555
Noncurrent Assets:						
Investment in SVCW joint venture (Note 13)	2,118,864	39,271,406			41,390,270	
Capital assets (Note 7):						
Land and construction in progress	14,792				14,792	
Depreciable assets, net	26,173,484		3,389,622		29,563,106	1,672,330
Total Noncurrent Assets	28,307,140	39,271,406	3,389,622		70,968,168	1,672,330
Total Assets	65,542,779	54,319,863	5,918,142	1,844,310	127,625,094	10,869,885
DEFERRED OUTFLOWS						
Related to pension (Note 10B)	524,544		305,214	73,608	903,366	
Related to OPEB (Note 11)	107,154		63,239	12,949	183,342	
Total Deferred Outflows	631,698		368,453	86,557	1,086,708	
LIABILITIES						
Current Liabilities:						
Accounts payable and other liabilities	2,717,134	571,138	46,674	5,725	3,340,671	224,264
Claims payable (Note 12)						410,391
Long-term debt (Note 8)	735,000	535,000			1,270,000	
Compensated absences (Note 1H)	82,123		42,933	7,186	132,242	93,115
Total Current Liabilities	3,534,257	1,106,138	89,607	12,911	4,742,913	727,770
Noncurrent Liabilities:						
Claims payable (Note 12)						589,283
Compensated absences (Note 1H)	72,588		48,373	11,510	132,471	110,358
Long-term debt (Note 8)	45,430,276	30,749,374			76,179,650	
Net pension liability (Note 10)	2,019,598		1,175,128	283,404	3,478,130	
Net OPEB liability (Note 11)	400,205		236,189	48,363	684,757	
Total Noncurrent Liabilities	47,922,667	30,749,374	1,459,690	343,277	80,475,008	699,641
Total Liabilities	51,456,924	31,855,512	1,549,297	356,188	85,217,921	1,427,411
DEFERRED INFLOWS						
Related to pension (Note 10B)	145,731		84,795	20,450	250,976	
Related to OPEB (Note 11)	128,593		75,892	15,540	220,025	
Total Deferred Inflows	274,324		160,687	35,990	471,001	
NET POSITION (Note 9)						
Net investment in capital assets	1,056,133		3,389,622		4,445,755	1,672,330
Restricted for treatment facility		22,464,351			22,464,351	
Unrestricted	13,387,096		1,186,989	1,538,689	16,112,774	7,770,144
Total Net Position	\$14,443,229	\$22,464,351	\$4,576,611	\$1,538,689	\$43,022,880	\$9,442,474

See accompanying notes to financial statements

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste		
OPERATING REVENUES						
Charges for current services						
Sewer service charges	\$12,468,348	\$3,196,757			\$15,665,105	
Sewer connection fees	60,124				60,124	
NPDES storm drain charges			\$507,221		507,221	
Street sweeping			445,701		445,701	
Garbage franchise fee				\$482,843	482,843	
Interdepartmental charges	<u>182,978</u>		<u>16,214</u>		<u>199,192</u>	<u>\$8,273,620</u>
Total Operating Revenues	<u>12,711,450</u>	<u>3,196,757</u>	<u>969,136</u>	<u>482,843</u>	<u>17,360,186</u>	<u>8,273,620</u>
OPERATING EXPENSES						
Personnel services	1,233,263		955,828	194,096	2,383,187	
Services and supplies	5,252,909	90,354	926,047	148,979	6,418,289	
Insurance premiums						848,072
Professional and legal						1,619,227
Operating costs						3,104,966
Pension and other post employment benefits						1,789,162
Insurance claims, net of change in claims payable						111,066
Depreciation	<u>1,541,960</u>		<u>237,942</u>		<u>1,779,902</u>	<u>697,413</u>
Total Operating Expenses	<u>8,028,132</u>	<u>90,354</u>	<u>2,119,817</u>	<u>343,075</u>	<u>10,581,378</u>	<u>8,169,906</u>
Operating Income (Loss)	<u>4,683,318</u>	<u>3,106,403</u>	<u>(1,150,681)</u>	<u>139,768</u>	<u>6,778,808</u>	<u>103,714</u>
NONOPERATING REVENUES (EXPENSES)						
Interest	632,309	425,229	32,540	24,964	1,115,042	417,483
Interest expense and cost of issuance	(1,385,791)	(1,286,316)			(2,672,107)	
Loss from investment in SVCW - Joint Venture (Note 13)	(652,586)				(652,586)	
Intergovernmental and miscellaneous				98,099	98,099	351,528
Total Nonoperating Revenues (Expenses)	<u>(1,406,068)</u>	<u>(861,087)</u>	<u>32,540</u>	<u>123,063</u>	<u>(2,111,552)</u>	<u>769,011</u>
Income (Loss) Before Transfers	<u>3,277,250</u>	<u>2,245,316</u>	<u>(1,118,141)</u>	<u>262,831</u>	<u>4,667,256</u>	<u>872,725</u>
Transfers in (Note 4A)			1,692,824		1,692,824	
Transfers (out) (Note 4A)	<u>(325,000)</u>				<u>(325,000)</u>	
Net transfers	<u>(325,000)</u>		<u>1,692,824</u>		<u>1,367,824</u>	
Change in net position	2,952,250	2,245,316	574,683	262,831	6,035,080	872,725
BEGINNING NET POSITION	<u>11,490,979</u>	<u>20,219,035</u>	<u>4,001,928</u>	<u>1,275,858</u>	<u>36,987,800</u>	<u>8,569,749</u>
ENDING NET POSITION	<u>\$14,443,229</u>	<u>\$22,464,351</u>	<u>\$4,576,611</u>	<u>\$1,538,689</u>	<u>\$43,022,880</u>	<u>\$9,442,474</u>

See accompanying notes to financial statements

CITY OF BELMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$12,184,372	\$3,021,874	\$949,268	\$480,816	\$16,636,330	
Other receipts				98,099	98,099	
Interdepartmental charges						\$8,483,330
Payments to suppliers	(3,751,161)	(90,354)	(894,312)	(143,254)	(4,879,081)	(3,742,502)
Payments to employees	(1,580,258)		(973,160)	(229,686)	(2,783,104)	(3,687,486)
Claims paid						(49,705)
Cash Flows from Operating Activities	6,852,953	2,931,520	(918,204)	205,975	9,072,244	1,003,637
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund receipts			1,692,824		1,692,824	
Interfund payments	(325,000)				(325,000)	
Cash Flows from Noncapital Financing Activities	(325,000)		1,692,824		1,367,824	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(6,066,476)		(93,614)		(6,160,090)	(1,172,664)
Issuance of long-term debt	17,095,000				17,095,000	
Premium on bonds	4,257,481				4,257,481	
Cost of issuance	(231,981)				(231,981)	
Principal payments on capital debt	(540,000)	(385,000)			(925,000)	
Interest paid	(960,686)	(1,497,312)			(2,457,998)	
Investment in SVCW		(6,990,138)			(6,990,138)	
Cash Flows from Capital and Related Financing Activities	13,553,338	(8,872,450)	(93,614)		4,587,274	(1,172,664)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	632,309	425,229	32,540	24,964	1,115,042	417,483
Cash Flows from Capital and Related Investing Activities	632,309	425,229	32,540	24,964	1,115,042	417,483
Net Cash Flows	20,713,600	(5,515,701)	713,546	230,939	16,142,384	248,456
Cash and investments at beginning of period	15,989,534	20,389,275	1,749,915	1,572,944	39,701,668	7,247,523
Cash and investments at end of period	<u>\$36,703,134</u>	<u>\$14,873,574</u>	<u>\$2,463,461</u>	<u>\$1,803,883</u>	<u>\$55,844,052</u>	<u>\$7,495,979</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:						
Operating income (loss)	\$4,683,318	\$3,106,403	(\$1,150,681)	\$139,768	\$6,778,808	\$103,714
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation	1,541,960		237,942		1,779,902	697,413
Miscellaneous				98,099	98,099	351,528
Change in assets, deferred outflows and liabilities:						
Receivables, net	(527,078)	(174,883)	(19,868)	(2,027)	(723,856)	(138,756)
Accounts payable	1,501,748		31,735	5,725	1,539,208	(74,733)
Claims payable						65,193
Deferred outflows	(11,052)		(52,965)	(2,705)	(66,722)	
Deferred inflows	109,275		76,913	12,692	198,880	
Net pension liability	73,517		188,226	3,147	264,890	
Net OPEB liability	(469,881)		(212,316)	(30,549)	(712,746)	
Compensated absences	(48,854)		(17,190)	(18,175)	(84,219)	(722)
Cash Flows from Operating Activities	\$6,852,953	\$2,931,520	(\$918,204)	\$205,975	\$9,072,244	\$1,003,637
Non-cash transactions						
Amortization of Bond Premiums	\$151,772	\$105,513			\$257,285	
Loss from investment in SVCW - Joint Venture (Note 13)	(652,586)				(652,586)	
	<u>(\$500,814)</u>	<u>\$105,513</u>			<u>(\$395,301)</u>	

See accompanying notes to financial statements

FIDUCIARY FUNDS

Successor Agency Private-Purpose Trust Fund (Successor Agency) accounts for the activities related to the wind-down of the former Redevelopment Agency.

Agency 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 Government – wide financial statements and are presented in a separate Fiduciary Fund financial statement.

CITY OF BELMONT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2020

	<u>Successor Agency Private-Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments (Note 3)	\$1,018,003	\$258,249
Cash and investments with fiscal agent (Note 3)	539,712	
Due from other governments		28,887
	<u> </u>	<u> </u>
Total Assets	<u><u>\$1,557,715</u></u>	<u><u>\$287,136</u></u>
LIABILITIES		
Accounts payable and other liabilities	\$3,750	
Interest payable	83,724	
Section 125 employee benefits payable		\$24,611
Due to bondholders		262,525
Long-term debt (Note 15):		
Due within one year	740,000	
Due more than one year	<u>4,935,000</u>	
	<u> </u>	<u> </u>
Total Liabilities	<u><u>5,762,474</u></u>	<u><u>\$287,136</u></u>
NET POSITION (DEFICIT):		
Held in trust for private purpose	<u><u>(\$4,204,759)</u></u>	

See accompanying notes to financial statements

CITY OF BELMONT
PRIVATE PURPOSE TRUST FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Successor Agency Private-Purpose Trust Fund</u>
Additions:	
Property Taxes	\$956,855
Use of money and property	<u>18,132</u>
Total Additions	<u>974,987</u>
Deductions:	
Urban redevelopment	19,284
Interest expense	<u>203,034</u>
Total Deductions	<u>222,318</u>
Change in net position	752,669
Beginning Net Position (Deficit)	<u>(4,957,428)</u>
Ending Net Position (Deficit)	<u><u>(\$4,204,759)</u></u>

See accompanying notes to financial statements

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CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belmont was incorporated as a general law city in 1926. The City operates under the Council-Manager form of government and is governed by a five member council elected by the City's voters. The City provides the following services: public safety (police and fire), highways and streets, sewer, storm drainage, solid waste, recreation, public improvements, planning and zoning, building inspections, general administration services, and economic development.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below.

A. Reporting Entity

The financial statements of the City of Belmont include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. All of these entities are controlled by and dependent on the City and their financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

The **Belmont Fire Protection District**, established in 1928, is a special district created under the general laws of California to provide fire protection services to City residents. The District is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the District. The financial activities of the District have been included in these financial statements in the Belmont Fire Protection District Special Revenue Fund. The District does not issue separate financial statements.

The **Belmont Joint Powers Financing Authority** is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority does not issue separate financial statements.

B. Major Funds

The City's major governmental and enterprise funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services. The General Fund also accounts for Measure I, a half cent local district tax approved in 2016 that will expire in 30 years. This general tax funding source provides for street and road and storm drain repair.

Belmont Fire Protection District Special Revenue Fund - To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

The City reported all the following enterprise funds as major funds in the accompanying financial statements:

Sewer Collections Fund - To account for certain sanitary sewer services provided to the citizens of Belmont. Activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

Sewer Treatment Fund - To account for capital improvements made to the Silicon Valley Clean Water Authority treatment plant and related capital improvements. Revenue for the improvements comes from the sewer treatment facility charge paid by users connected to the sanitary system.

Storm Drainage Fund - To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

The City also reports the following fund types:

Internal Service Funds

The funds account for workers' compensation, general liability, vision, benefit prefunding, fleet and equipment management, and facilities management; all of which are provided to other departments on a cost-reimbursement basis.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Trust Funds and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. The City has three agency funds: Section 125 Plan Fund; the Library Community Facilities District Fund, a fund reporting cash and investments for the District, and the Net Six Joint Powers Authority. The City maintained the financial records and processed transactions for the Net Six Joint Powers Authority through June 30, 2019 and the duties transitioned to the City of Redwood City effective July 1, 2019. The Successor Agency Private-purpose Trust Fund accounts for the financial activities assumed by the Successor Agency from the former Redevelopment Agency. The financial activities of these funds are excluded from the Government-wide financial statements, and are presented in a separate Fiduciary Fund financial statement.

C. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and use, transient occupancy, franchise and gas taxes, business license taxes, intergovernmental revenues, grants, parking fines and interest revenue. Other fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until collected.

Non-exchange transactions, in which the City gives or receives value without directly, receiving or giving equal 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.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These 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. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and 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 (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

E. Revenue Recognition for Enterprise Funds

Sewer and Storm Drain user fee revenues are placed on the county tax rolls. The County bills customers annually and requires payment prior to year-end. Solid waste revenue is remitted by Recology San Mateo County as part of garbage services. At year-end there were no material uncollected sewer, storm drain, or solid waste user fees.

F. Property Tax

San Mateo County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above, generally within sixty days.

G. Capital Assets

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

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of 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 capital assets.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Building and Building Improvements	40 years
Improvements Other than Buildings	25-75 years
Streets and Infrastructure	25-100 years
Machinery and Equipment	5-10 years
Vehicles	5-10 years

Non-infrastructure and infrastructure assets with historical costs exceeding \$5,000 and \$25,000 respectively are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

H. *Compensated Absences*

Compensated absences comprise unpaid vacation and the vested portion of sick leave, which are accrued as earned. Employee bargaining unit agreements specify the vested portion of unused sick leave, which accumulates and is paid at time of termination of City employment. The City's liability for compensated absences is recorded in various Governmental funds and Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid due to terminations are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position.

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities			Total
		Sewer Collections	Storm Drainage	Solid Waste	
Summary of Activity:					
Beginning Balance	\$2,457,550	\$203,565	\$108,496	\$36,871	\$2,806,482
Additions	1,473,503	115,773	62,437	12,828	1,664,541
Retirements	(1,370,901)	(164,627)	(79,627)	(31,003)	(1,646,158)
Ending Balance	<u>\$2,560,152</u>	<u>\$154,711</u>	<u>\$91,306</u>	<u>\$18,696</u>	<u>\$2,824,865</u>
Financial Statement					
Presentation:					
Due within One Year	\$1,003,676	\$82,123	\$42,933	\$7,186	\$1,135,918
Due in More than One Year	<u>1,556,476</u>	<u>72,588</u>	<u>48,373</u>	<u>11,510</u>	<u>1,688,947</u>
Total Ending Balance	<u>\$2,560,152</u>	<u>\$154,711</u>	<u>\$91,306</u>	<u>\$18,696</u>	<u>\$2,824,865</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

I. Fair Value Hierarchy

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.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Closed Fund

The Net Six Agency Fund was closed as of June 30, 2020.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The City Manager submits to the City Council a proposed annual operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them and is subjected to public hearings where comments are obtained for consideration. The Council adopts the budget through passage of a budget resolution at which time the proposed expenditures become appropriations. The budget is effective the following July 1 and may be amended by subsequent resolutions. The City Manager is authorized to transfer appropriations between any departments; however, any revisions, which increase the total appropriations of any fund, must be approved by the Council. Transfers not included in the original budget must be approved by the Finance Director. Where not contractually committed, expenditures may not exceed appropriations at the fund level. Unencumbered appropriations lapse at year end. Supplemental appropriations adopted by the Council are included in the budget versus actual statements.

Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Encumbrances outstanding at year end do not constitute expenditures or liabilities and are reappropriated in the following year budget. Budget amounts include appropriations, which are formally integrated into the City's accounting records for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds. Encumbrances outstanding by fund as of June 30, 2020 were as follows:

Major Governmental Funds:	
General Fund	\$784,072
Non-Major Governmental Funds	<u>8,219,218</u>
Total Encumbrances	<u><u>\$9,003,290</u></u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Expenditures exceeded budget for the following fund:

Fund	Expenditures in Excess of Appropriations
Major Governmental Funds:	
Belmont Fire Protection District Special Revenue Fund	\$13,448
Non-Major Governmental Funds:	
Supplemental Law Enforcement Services Special Revenue Fund	19,567

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested consistent with the principles of 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 invests 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. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 City debt instruments or Agency agreements.

Cash and investments as of June 30, 2020 consist of the following:

Statement of Net Position	
Cash and investments	\$103,184,477
Cash and investments with fiscal agent	5,913,340
Fiduciary Funds	
Cash and investments	1,276,252
Cash and investments with fiscal agent	<u>539,712</u>
Total Cash and Investments	<u><u>\$110,913,781</u></u>

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

As of June 30, 2020, the City holds \$5,113,042 in unexpended proceeds from the Sewer Revenue Bonds, Series 2018, which were included in Cash and Investments recorded in the Sewer Treatment Enterprise Fund. The City also holds \$17,661,697 in unexpended proceeds from the Sewer Revenue Bonds, Series 2019, were included in Cash and Investments, but recorded in the Sewer Collections Enterprise Fund. These restricted funds are to be spent on project costs as defined in the underlying indenture.

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

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment In One Issuer
Local Agency Municipal Bonds	5 years	None	None	None
U.S. Treasury Obligations	5 years	None	None	None
State of California and Other State Obligations	5 years	None	None	None
CA Local Agency Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Bankers Acceptances	180 days	None	40%	30%
Commercial Paper (pooled)	270 days	A1 / P1	40%	10%
Commercial Paper (non-pooled)	270 days	A1 / P1	25%	10%
Negotiable Certificates of Deposit	5 years	None	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None	None
Placement Service Deposits	5 years	None	30% (A)	None
Placement Service Certificates of Deposit	5 years	None	30% (A)	None
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	None	20% of base value of portfolio	None
Medium Term Corporate Notes	5 years	A	30%	None
Mutual Funds	N/A	Top rating category	20%	10%
Money Market Mutual Funds	N/A	Top rating category	20%	10%
Collateralized Bank Deposits	5 years	None	None	None
Mortgage Pass-Through Securities	5 years	AA	20%	None
County Pooled Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	Multiple	None	None
California Local Agency Investment Fund	N/A	None	None	\$75M
Voluntary Investment Program Fund	N/A	None	None	None
Supranational Obligations (B)	5 years	AA	30%	None

(A) 30% maximum % of portfolio is for deposits and certificates of deposit combined.

(B) Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Local Agency Municipal Bonds	N/A	Two highest rating categories
U.S. Treasury Obligations	N/A	N/A
State of California Obligations	N/A	A2/A
CA Local Agency Obligations	N/A	N/A
U.S. Agency Securities (A)	N/A	N/A
Bankers Acceptances	1 year	A1
Commercial Paper	270 days	A-1 +
Short-Term Certificates of Deposit	1 year	A-1+
Repurchase Agreements	30 days	A, A-
Money Market Mutual Funds	N/A	AA-M
Collateralized Bank Deposits	N/A	N/A
Fund	N/A	N/A
Unsecured CD's, deposit accounts, time deposits, bankers acceptances	365 Days	A-1+
Special Revenue Bonds	N/A	AA-
Prefunded Municipal Obligations	N/A	AAA
FDIC insured deposit	N/A	N/A
Investment Agreements	N/A	AA-
Pre Refunded Municipal Obligations	N/A	Two highest rating categories
Cash	N/A	N/A

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), Export-Import Bank, Farm Credit System Financial Assistance Corporation, Farmers Home Administration, General Services Administration, United States Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), United States Department of Housing & Urban Development (PHA's), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal Housing Administration debentures.

The 2019 Sewer Revenue Bonds also allow investment in Federal Housing Administration debentures.

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the City's investment. Generally, 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 City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
California Local Agency Investment Fund	\$103,818,396			\$103,818,396
<i>Held by Trustees:</i>				
Money Market Mutual Funds	1,679,721			1,679,721
U.S. Treasury Notes	3,660,610	\$658,661	\$454,092	4,773,363
Total Investments	<u>\$109,158,727</u>	<u>\$658,661</u>	<u>\$454,092</u>	110,271,480
Cash in banks and on hand				<u>642,301</u>
Total Cash and Investments				<u>\$110,913,781</u>

F. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the amortized costs provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. 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, 2020, these investments matured in an average of 191 days.

G. 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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the City's investments as of June 30, 2020:

Investment Type	Level 1	Exempt or Amortized Cost	Total
California Local Agency Investment Fund		\$103,818,396	\$103,818,396
<i>Held by Trustees:</i>			
Money Market Mutual Funds		1,679,721	1,679,721
U.S. Treasury Notes	\$4,773,363		4,773,363
Total Investments	<u>\$4,773,363</u>	<u>\$105,498,117</u>	<u>\$110,271,480</u>

U.S. Treasury Notes totaling \$4,773,363 classified in Level 1 of the fair value hierarchy are valued using quoted prices in an active market for identical assets. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These prices are obtained from various pricing sources by the custodian bank. As an external investment pool, the Local Agency Investment Fund is exempt from the fair value hierarchy.

H. 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 actual ratings as of June 30, 2020 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	Total Investments
Money Market Mutual Funds	<u>\$1,679,721</u>	\$1,679,721
<i>Not rated:</i>		
California Local Agency Investment Fund		103,818,396
<i>Exempt from rating requirement:</i>		
U.S. Treasury Notes		<u>4,773,363</u>
Total investments		<u>\$110,271,480</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

The purpose of the majority of transfers is to provide annual subsidiary to the transit fund, which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

Transfers between funds during the fiscal year ended June 30, 2020 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Special Revenue Funds		
Recreation	General Fund	\$1,134,984
Development Services	General Fund	571,258
Street Maintenance	General Fund	805,401
Street Improvements	General Fund	958,744 (a)
Capital Projects Funds		
General Facilities	General Fund	220,618 (a)
Infrastructure	General Fund	1,049,273 (a)
Enterprise Funds		
Storm Drainage	General Fund	1,367,824 (a)
Storm Drainage	Sewer Collection Enterprise Fund	325,000
		<u>\$6,433,102</u>

The purpose of the significant transfers that were not routine in nature or consistent with activities of the fund making the transfers is set forth below:

(a) Transfer to fund capital projects.

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after at the end of the fiscal year. The Low and Moderate Income Housing Asset Special Revenue Fund owed the General Fund \$51,011 as of June 30, 2020.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 – NOTES RECEIVABLE

These notes are summarized below:

Project	Amount
Mid-Peninsula Horizons, Inc.	\$ 239,300
Home Buyer Assistance Program	548,930
Firehouse Square	1,000,000
Total notes receivable	\$1,788,230

The former Belmont Redevelopment Agency (Agency) entered into the loan programs below to improve the quality of housing and to increase the availability of affordable housing. With the dissolution of the former Redevelopment Agency, the City elected to become the successor to the former Agency’s housing activities and as a result assumed the loans receivable as of February 1, 2012.

On September 30, 1992 the former Agency made a loan to **Mid-Peninsula Horizons, Inc.**, a nonprofit corporation, to assist in financing an affordable housing project. The Agency loan is secured by a second deed of trust. The loan bears interest at one percent per annum and is due along with interest in 2039 or the date the project is no longer subject to a related regulatory agreement with HUD, whichever is later.

In fiscal year 1999, the former Agency began providing financial assistance for first time home buyers through the **Home Buyer Assistance Program**. Loans provide down payment assistance to qualified home buyers in Belmont. Loans are long-term low interest loans for down payments on the purchase of single-family residences, town homes, or condominiums. Loans are secured by a deed of trust.

On October 22, 2019 the City approved Development Agreements with **MP Firehouse Square Associates, L.P.**, and **Belmont Firehouse Square LLC** for the construction of a new four-story, mixed-use residential/commercial building consisting of 65 affordable rental apartment units, a manager's unit, amenity space, a community room, and 3,748 square feet of retail and commercial space; and a 15-unit market rate for sale townhome component. The project site is located on City-owned property at 1300 El Camino Real and 875 O'Neill Avenue that was to be sold to the developer for \$2,616,150. The City had committed to loan the Developer up to \$5,598,000, comprised of the Predevelopment Component (\$316,000), the Construction Component (\$2,000,000) and the Construction Contingency Amount (\$2,598,000). On July 14, 2020, the City amended the terms of the Development Agreements to instead ground lease the property to the Developer for a period of seventy (70) years at the rate of one dollar (\$1.00) per year, paid annually, and reduce the project funding to a predevelopment loan of up to \$1,000,000, a construction loan of up to \$1,150,000, and a grant of \$1,000,000. Total potential costs to the City will not exceed \$5,648,000. During the year ended June 30, 2020, the developer drew down \$1,000,000 of the predevelopment loan. The loan bears simple interest at three percent per annum and is payable from residual receipts as defined in the Agreement and is due upon the earliest of the transfer of the project or the developer’s interest in the property in a manner that is not approved by the City, the occurrence of a Developer event of default, or 70 years from the date of the promissory note or August, 2090.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6 – LAND HELD FOR RESALE

The City purchased parcels of land as part of efforts to develop or redevelop properties. Land held for resale is carried in the financial statements at the lower of cost or estimated net realizable value.

With the dissolution of the Redevelopment Agency in fiscal year 2012, the City elected to assume housing activities as the Housing Successor, and the land held for resale was transferred to the Low and Moderate Income Housing Asset Special Revenue Fund on February 1, 2012.

NOTE 7 – CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Governmental Activities					
Capital assets not being depreciated:					
Land	\$12,609,903				\$12,609,903
Construction in progress	1,110,056	\$6,391,591		(\$393,294)	7,108,353
Total capital assets not being depreciated	13,719,959	6,391,591		(393,294)	19,718,256
Capital assets being depreciated:					
Buildings and building improvements	38,774,962				38,774,962
Improvements other than buildings	4,954,563	97,028			5,051,591
Streets and infrastructure	53,371,121	2,102,564		393,294	55,866,979
Machinery and equipment	5,621,084	684,911			6,305,995
Vehicles	4,157,840	501,220	(\$41,600)		4,617,460
Total capital assets being depreciated	106,879,570	3,385,723	(41,600)	393,294	110,616,987
Less accumulated depreciation for:					
Buildings and building improvements	16,475,796	925,331			17,401,127
Improvements other than buildings	1,473,305	219,600			1,692,905
Streets and infrastructure	24,500,906	1,238,044			25,738,950
Machinery and equipment	5,244,076	295,724			5,539,800
Vehicles	3,383,521	417,203	(41,600)		3,759,124
Total accumulated depreciation	51,077,604	3,095,902	(41,600)		54,131,906
Net depreciable assets	55,801,966	289,821		393,294	56,485,081
Governmental activities capital assets, net	\$69,521,925	\$6,681,412			\$76,203,337

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance June 30, 2019	Additions	Balance June 30, 2020
Business-type activities			
Capital assets not being depreciated:			
Land	\$14,792		\$14,792
Total capital assets not being depreciated	14,792		14,792
Capital assets being depreciated:			
Improvements other than buildings	41,904,277	\$6,160,090	48,064,367
Machinery and equipment	316,909		316,909
Total capital assets being depreciated	42,221,186	6,160,090	48,381,276
Less accumulated depreciation			
Improvements other than buildings	16,749,820	1,759,863	18,509,683
Machinery and equipment	288,448	20,039	308,487
Total accumulated depreciation	17,038,268	1,779,902	18,818,170
Net depreciable assets	25,182,918	4,380,188	29,563,106
Business-type activities capital assets, net	\$25,197,710	\$4,380,188	\$29,577,898

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are acquired.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 – CAPITAL ASSETS (Continued)

Governmental Activities	
General Government	\$1,061,792
Public Safety	98,653
Highways and Streets	981,482
Culture and Recreation	256,562
Depreciation Charges to Internal Service Funds	<u>697,413</u>
Total Governmental Activities	<u><u>\$3,095,902</u></u>
 Business-Type Activities	
Sewer Collections	\$1,541,960
Storm Drainage	<u>237,942</u>
Total Business-Type Activities	<u><u>\$1,779,902</u></u>

NOTE 8 – LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

Proprietary Fund (Enterprise) long-term debt is accounted for in the proprietary funds, which will repay the debt because these funds are accounted for on the full-accrual basis in a similar manner to commercial operations.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG TERM DEBT (Continued)

A. Current Year Transactions and Balances

	Balance June 30, 2019	Additions	Retirements	Balance as of June 30, 2020	
				Due Within One Year	Due Beyond One Year
GOVERNMENTAL ACTIVITIES DEBT					
Capital Lease					
2019 San Mateo County					
2%, due 2029		\$6,000,000	\$292,385	\$548,310	\$5,159,305
Total Governmental Activities Debt		6,000,000	292,385	548,310	5,159,305
BUSINESS-TYPE ACTIVITIES DEBT					
2009A Sewer Treatment Facility					
Revenue Bonds					
3.00%-5.00%, due serially to 2042	\$7,330,000		185,000	195,000	6,950,000
2016 Sewer Revenue Refunding Bonds					
3.00%-5.00%, due serially to 2035	8,620,000		435,000	465,000	7,720,000
Premium	900,723		76,657		824,066
2016 Sewer Revenue Bonds					
2.00%-5.00%, due serially to 2046	15,935,000		105,000	100,000	15,730,000
Premium	48,844		4,158		44,686
2018 Sewer Treatment Revenue Bonds					
5%, due serially to 2048	21,385,000		200,000	340,000	20,845,000
Premium	3,059,887		105,513		2,954,374
2019 Sewer Revenue Bonds					
5%, due serially to 2049		17,095,000		170,000	16,925,000
Premium		4,257,481	70,957		4,186,524
Total Business-Type Activities Debt	57,279,454	21,352,481	1,182,285	1,270,000	76,179,650
Total Long-Term Obligations	\$57,279,454	\$27,352,481	\$1,474,670	\$1,818,310	\$81,338,955

B. 2019 San Mateo County Lease Agreement

On December 18, 2019, the City entered into Lease and Sublease Agreements with the County of San Mateo under which the City leased the Belmont Sports Complex & Conference Center to the County for which the County made a one-time up-front lease payment to the City in the amount of \$6,000,000. Simultaneously, the City will sublease back from the County with annual rental payments over a lease term of 10 years, at a fixed interest rate of 2% per year. The Sublease is secured by the Belmont Sports Complex and the funds are to be used for turf replacement. The Sublease is repayable in semi-annual payments of \$334,000 beginning April 15, 2020 through December 15, 2029. While the pledge of repayment is from the General Fund, repayment will be made from Planned Park (Quimby/Park In Lieu) and Park Impact Fees. To terminate the Sublease after having fully paid all installment payments through and including the year seven payment, the City may make a one-time, lumpsum payment to the County of \$1,926,013.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG TERM DEBT (Continued)

C. Summary of Sewer Debt Issues

On December 30, 2009 the Authority issued \$8,500,000 principal amount of **Sewer Treatment Facility Revenue Bonds, Series 2009A**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable solely from Sewer Treatment Facility Revenues. The Revenue Bonds are general obligations of the City, payable solely from Sewer Treatment Facility Revenues collected by City of Belmont. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2020.

On October 1, 2018, the City issued \$21,385,000 in **Sewer Treatment Facility Revenue Bonds, Series 2018**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable on parity with the 2009A bonds solely from Sewer Treatment Facility Revenues. Interest on the Bonds is commencing August 1, 2019. The bond covenant contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; or bankruptcy filing by the City. There were no such events during the fiscal year ending June 30, 2020.

The pledge of future Sewer Treatment Facility charges ends upon repayment of \$51,425,147 in remaining debt service on the 2009A and 2018 Bonds which is scheduled to occur in 2046. For fiscal year 2020, Sewer Treatment Facility Revenues amounted to \$3,621,986 and debt service was \$1,882,312.

On March 2016, the City issued \$9,945,000 in **Sewer Revenue Refunding Bonds, Series 2016** and \$16,120,000 in **Sewer Revenue Bonds, Series 2016** with interest rates ranging from 3.0% to 5.0% and 2.0% to 5.0% respectively. The \$11,094,848 in net proceeds (including a \$1,149,848 premium and after payment of \$104,670 in underwriting fees and other issuance costs) of the Sewer Revenue Refunding Bonds, Series 2016, were used to refund \$10,830,000 of outstanding 2001 and 2006 Series Sewer Revenue Bonds which had interest rates ranging from 4.375% to 5.00% and 4.00% to 4.375% respectively. The net proceeds of \$15,182,357 from the Sewer Revenue Bonds, Series 2016 (including a \$62,357 premium and after payment of \$169,662 in underwriting fees and other issuance costs) will be used to finance improvements to the City's sewer system.

The 2016 Revenue Bonds are general obligations of the City, payable solely from System Revenues and all amounts on deposit in the System Revenue Fund collected by the City of Belmont. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2020.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG TERM DEBT (Continued)

On November 20, 2019, the City issued \$17,095,000 principal amount of **Sewer Revenue Bonds, Series 2019**. Proceeds will be used to finance certain improvements to the sewer collection, conveyance and treatment system of the City. Interest is due semiannually on February 1 and August 1, commencing February 1, 2020 and principal is due annually on August 1. The Bonds are payable on parity with the 2016 bonds, solely from System Revenues and all amounts on deposit in the System Revenue Fund collected by the City. The Bonds are structured with a par optional redemption date of August 1, 2029. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if the following conditions occur: default on debt service payments. There were no such events during the fiscal year ending June 30, 2020.

The pledge of future Sewer Fund Revenues ends upon repayment of \$68,623,679 in remaining debt service on the 2016 Sewer Revenue Refunding Bonds, 2016 Sewer Revenue Bonds and 2019 Sewer Revenue Bonds, which is scheduled to occur in 2049. For fiscal year 2020, Sewer Fund Revenues, excluding sewer treatment facility revenue, including operating revenues, but not connection charges or non-operating interest earnings, amounted to \$12,468,348 and operating costs including operating expenses, but not interest, depreciation or amortization amounted to \$6,486,172. Net revenues available for debt service amounted to \$5,982,176.

D. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$548,310	\$119,690	\$1,270,000	\$3,021,680
2022	560,035	107,965	1,420,000	2,960,957
2023	572,010	95,990	1,485,000	2,897,762
2024	584,022	83,978	1,550,000	2,828,255
2025	596,729	71,271	1,630,000	2,751,492
2026 - 2030	2,846,509	159,491	9,340,000	12,566,964
2031 - 2035			11,490,000	10,426,638
2036 - 2040			14,230,000	7,727,747
2041 - 2045			15,875,000	4,416,304
2046 - 2050			11,150,000	1,164,170
Total	<u>\$5,707,615</u>	<u>\$638,385</u>	<u>\$69,440,000</u>	<u>\$50,761,969</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG TERM DEBT (Continued)

E. Special Assessment Debt With No City Commitment

On February 4, 2004, the Community Facilities District No. 2000-1 issued Special Tax Bonds, Series 2004A for \$8,650,000 to finance the construction, operations and maintenance of a new library. The City has no legal or moral liability with respect to the payment of this debt, which is secured by proceeds of an annual special tax levy received by the District. Therefore, this debt is not included in the long-term debt of the City. As of June 30, 2020, the outstanding balance was \$5,135,000.

Pursuant to the terms of the underlying indenture for the Special Tax Bonds, the Trustee holds a Surety Bond issued by AMBAC Assurance Corporation as a debt service reserve for the Bonds. During fiscal 2010-11, AMBAC declared bankruptcy. As of the date of this report, the Trustee had not requested and the District had not obtained a replacement surety bond.

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows, if any, over all its liabilities and deferred inflows, if any, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below.

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. 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.

The City's fund balances are classified in accordance with generally accepted accounting principles which require the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed. Through a Council Resolution, the City Council has designated the City Manager to determine the amount of assigned fund balances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s fund balances, as of June 30, 2020, are below:

Fund Balance Classifications	General Fund	Belmont Fire Protection District	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Prepays	\$342,525			\$342,525
Land held for resale	298,748			298,748
Total Nonspendable Fund Balances	641,273			641,273
Restricted for:				
Transportation			\$1,628,534	1,628,534
Belmont Fire Protection District		\$13,405,276		13,405,276
Special Revenue Programs:				
Library Maintenance & Operations			1,033,288	1,033,288
City Trees			362,349	362,349
Supplemental Law Enforcement Services			2,791	2,791
Athletic Field Maintenance			324,158	324,158
RMRA (SB1)			587,977	587,977
Senior Donations			85,863	85,863
Capital Projects			5,395,420	5,395,420
Special Assessment District			306,562	306,562
Housing Inclusionary			3,266,240	3,266,240
Low & Moderate Income Housing			3,618,577	3,618,577
Total Restricted Fund Balances		13,405,276	16,611,759	30,017,035
Committed to:				
Measure I Infrastructure	2,101,292			2,101,292
Special Revenue Programs:				
Development Services			407,621	407,621
Public Safety			35,448	35,448
Total Committed Fund Balances	2,101,292		443,069	2,544,361
Assigned to:				
Capital Projects			4,070,714	4,070,714
Total Assigned Fund Balances			4,070,714	4,070,714
Unassigned	12,995,874			12,995,874
Total Unassigned Fund Balances	12,995,874			12,995,874
Total Fund Balances	\$15,738,439	\$13,405,276	\$21,125,542	\$50,269,257

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies*

The City Council has established a policy with adoption of the annual budget that the General Fund balance should be maintained at a target of 33% of operating expenditures with a \$5,000,000 minimum. In addition, the City Council has established a \$250,000 Contingency appropriation which may be used to pay for an emergency or an uncertain occurrence. The use of contingency funds requires City Council approval. As of June 30, 2020, the City is in compliance with its minimum fund balance policies.

D. *Belmont Fire Protection District*

The District established a \$5,000,000 reserve of fund balance for the future replacement of a fire station. The reservation is included in the Belmont Fire Protection District Special Revenue Fund's restricted fund balance.

NOTE 10 – PENSION PLAN

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 Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. 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.

A. *General Information about the Pension Plan*

Plan Description – All qualified employees are eligible to participate in the City's separate Safety (Police and Fire) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan, regardless of the number of rate plans the employer sponsors. The City sponsors six rate plans and the District sponsors three rate plans as follows:

- City Miscellaneous (Tier 1)
- City Miscellaneous (Tier 2)
- City Miscellaneous (Tier 3)
- City Safety (Tier 1)
- City Safety (Tier 2)
- City Safety (Tier 3)
- District Safety (Tier 1)
- District Safety (Tier 2)
- District Safety (Tier 3)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

The Plan is administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website (www.calpers.ca.gov.)

With the transfer of the District's personnel to the San Mateo Consolidated Fire Department Joint Powers Authority in January 2019 discussed in Note 13A, the District's Safety Plan is closed to new entrants.

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 1959 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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	<i>City Miscellaneous Rate Plans</i>		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to <u>August 1, 2012 (1)</u>	On or after <u>August 1, 2012 (1)</u>	On or after <u>January 1, 2013</u>
Benefit formula	2% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Final Average Compensation Period	One Year	Three Year	Three Year
Retirement age	50 - 67	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.0%	7.0%
Required employer contribution rates (normal cost)	10.516%	9.975%	7.026%
	<i>City Safety Rate Plans</i>		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to <u>October 1, 2011</u>	On or after <u>October 1, 2011</u>	On or after <u>January 1, 2013</u>
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Final Average Compensation Period	One Year	Three Year	Three Year
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.0%
Required employer contribution rates (normal cost)	21.927%	18.928%	13.034%
	<i>District Safety Rate Plans</i>		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to January 1, <u>2012</u>	On or after <u>January 1, 2012</u>	On or after <u>January 1, 2013</u>
Benefit formula	3% @ 55	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Final Average Compensation Period	Three Year	Three Year	Three Year
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	12.0%
Required employer contribution rates (normal cost)	18.928%	16.636%	13.034%

(1) For unrepresented employees, the hire date that determines the level of benefits is December 28, 2012.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

Beginning in fiscal year 2016, CalPERS 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. The dollar amounts are billed on a monthly basis or may be paid in a lump sum at a discount. The City's and District's required contributions for the unfunded liability were \$2,767,498 and \$52,744, respectively, in fiscal year 2020, which were made under the lump sum option.

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 the Plan 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, 2020, the contributions recognized as part of pension expense for the Plan were as follows:

	Safety	Miscellaneous	Total
Contributions - employer	\$2,660,652	\$2,633,458	\$5,294,110

During fiscal year 2020, the City made additional contributions to reduce the unfunded liability balances in the Safety and Miscellaneous rate plans in the amounts of \$415,487 and \$439,748, respectively, which are included in the contribution amounts above.

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

As of June 30, 2020, the City reported the collective net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Share of Net Pension Liability
Safety	\$19,293,513
Miscellaneous	20,209,752
Total Net Pension Liability	\$39,503,265

Pension liabilities are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net pension liabilities is liquidated primarily by the General Fund and the Belmont Fire Protection District Special Revenue Fund.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019 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 plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.31%	0.50%
Proportion - June 30, 2020	<u>0.31%</u>	<u>0.50%</u>
Change - Increase (Decrease)	<u>0.00%</u>	<u>0.00%</u>

For the year ended June 30, 2020, the City recognized pension expense of \$7,879,209. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$5,294,110	
Differences between actual and expected experience	2,663,344	(\$108,755)
Changes in assumptions	1,754,502	(495,947)
Net differences between projected and actual earnings on plan investments		(618,744)
Change in proportion and differences between actual contributions and proportionate share of contributions	<u>707,424</u>	<u>(697,563)</u>
Total	<u>\$10,419,380</u>	<u>(\$1,921,009)</u>

\$5,294,110 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (credits) as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2021	\$2,957,932
2022	(281,862)
2023	405,153
2024	123,038

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

(2) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the 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 the Plan.

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

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (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 cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded 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 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.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-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 2.00% used for this period.

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

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

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – PENSION PLAN (Continued)

	Discount Rate		
	1% Decrease	Current	1% Increase
	6.15%	7.15%	8.15%
Safety	\$28,544,537	\$19,293,513	\$11,709,122
Miscellaneous	30,316,518	20,209,752	11,867,331
Total	<u>\$58,861,055</u>	<u>\$39,503,265</u>	<u>\$23,576,453</u>

Subsequent Event - CalPERS Pension Contribution Rates – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

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

By resolution and through agreements with its labor units, the City and District provide certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans (Retiree Health Care Benefits Plans). The City and District participate in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). During fiscal year 2008, the City Council and, during fiscal year 2012, the District passed resolutions to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administered by CalPERS, and is managed by an appointed board not under the control of the City Council or Fire Board of Directors. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers’ plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The CERBT Trusts are not considered a component unit by the City or District and have been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

A summary of eligibility and retiree contribution requirements for the City and District Plans are shown below by bargaining unit:

Eligibility	<p>Service or Disability Retirement from the City</p> <p>- Age and service requirements:</p> <p>AFSCME</p> <p>- 50 & 10 hired before 7/1/1985 and retired before 7/1/2001</p> <p>- 50 & 12 retired after 7/1/2001 and retired before 8/1/2012</p> <p>- 50 & 12 hired after 8/1/2012 or who retire due to disability</p> <p>BPOA</p> <p>- 50 & 12 retired before 7/1/2001</p> <p>- 50 & 12 retired on or after 7/1/2001 and hired before 10/11/2011</p> <p>- 50 & 12 hired on or after 10/11/2011</p> <p>MMCEA</p> <p>- 50 & 12 retired before 7/1/2001</p> <p>- 50 & 12 retired on or after 7/1/2001 and hired before 10/1/2012</p> <p>- 50 & 12 hired on or after 10/1/2012 or who retire due to disability</p> <p>Unrepresented</p> <p>- 50 & 12 retired before 7/1/2001</p> <p>- 50 & 12 retired on or after 7/1/2001 and hired before 1/1/2013</p> <p>- 50 & 12 hired on or after 1/1/2013 or who retire due to disability</p> <p>Service or Disability Retirement from District</p> <p>- 50 & 5</p> <p>Transitioning to District from BSCFD</p> <p>- 50 & 15 including service with BSCFD or South County Fire Authority, provided that 5 years must be with the District; or effective 10/1/2012, employees with 25 years of service (including any time served with SCFA or BSCFD) may retire after 3 years</p>
Benefit	<p>Service Retirement:</p> <p>- Retire before 7/1/2001 - Bay Area Single premium for retiree selected plan</p> <p>- Retire on or after 7/1/2001 and hired prior to 10/11/2011 (BPOA), 10/1/2012 (MMCEA), 8/1/2012 (AFCME), 1/1/2013 (Unrepresented) - Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate.</p> <p>- Hired on or after 10/11/2011 (BPOA), 10/1/2012 (MMCEA), 8/1/2012 (AFCME), 1/1/2013 (Unrepresented)- Public Employees' Medical Hospital Care Act (PEMHCA) minimum only.</p> <p>Disability Retirement:</p> <p>- Miscellaneous Group - Same benefit as service retirement or PEMHCA minimum if eligibility requirement not met.</p> <p>- BPOA - same benefit as service retirement but without the age or service requirement.</p> <p>Retirement from District:</p> <p>- PEMHCA minimum, subject to "unequal method"</p> <p>Transitioning to District from BSCFD (or on active eligible list until 10/1/12):</p> <p>- Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate.</p>
Surviving Spouse Continuation	<p>City:</p> <p>- Public Employees Medical Hospital Care Act (PEMHCA) minimum only.</p> <p>District:</p> <p>- Based on CalPERS retirement election</p> <p>- PEMHCA Minimum</p> <p>- Unequal Method</p>
Public Employees' Medical Hospital Care Act (PEMHCA) minimum	<p>CalPERS minimum employer contribution:</p> <p><u>YEAR</u> <u>PEMHCA Minimum</u></p> <p>2020 \$139</p> <p>2021+ Increase medical care component of CPI</p>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

In accordance with the City and District budgets, the Actuarially Determined Contribution (ADC) is to be funded throughout the year as a percentage of payroll. For the year ended June 30, 2020, the City's and District's contributions to the Plans were \$1,062,326 and \$18,374, respectively.

Employees Covered by Benefit Terms – Membership in the Plans consisted of the following at the valuation date of June 30, 2019:

City	
Inactive employees or beneficiaries currently receiving benefits	93
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>133</u>
Total	<u><u>245</u></u>
District	
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>1</u>
Total	<u><u>8</u></u>

As of June 30, 2020, there were approximately 94 active City eligible participants, 98 eligible City retirees or surviving spouses, exclusive of living spouses and dependents, receiving benefits, and 4 retirees that were eligible, but not enrolled in the Plan benefits. For the District, as of June 30, 2020 there were no active District eligible participants and there were 8 eligible District retirees or surviving spouses, exclusive of living spouses and dependents, receiving benefits and 14 retirees that were eligible, but not enrolled in the Plan benefits.

OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB – For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's and District's OPEB Plans and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions – The City and District net OPEB liabilities were measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

City and District

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal level percent of pay
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00%
Mortality Rates	Same as CalPERS (1)
Healthcare Cost Trend Rates	Pre-Medicare: 7.25% for 2021, and trending down to 4.0% in 2076 and Medicare: 6.3% in 2021, trending down to 4.0% in 2076 and beyond PEMHCA: 4.25% of retiree premium

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Mortality Improvement Scale MP 2019. For more details on this table, please refer to the CalPERS December 2017 experience study report available on the CalPERS website.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Global Equity	59.0%	4.82%
Fixed Income	25.0%	1.47%
Treasury Inflation Protection Securities	5.0%	1.29%
Real Estate Investment Trusts	8.0%	3.76%
Commodities	3.0%	0.84%
Total	<u>100.0%</u>	<u>6.75%</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Change of Assumptions – For the measurement date of June 30, 2019, the discount rate decreased from 7.28% to 6.75%, the payroll growth rate increased from 2.75% to 3.00%, inflation increased from 2.50% to 2.75% and the mortality improvement scale was updated to Scale MP-2019.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City and District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position were each projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

C. Changes in Net OPEB Liability

The changes in the net OPEB liability for each plan follows:

City	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at Report Date June 30, 2019	<u>\$15,204,009</u>	<u>\$5,879,957</u>	<u>\$9,324,052</u>
Changes for the year:			
Service Cost	375,298		375,298
Interest on the Total OPEB Liability	1,101,266		1,101,266
Differences between Expected and Actual Experience	(2,333,966)		(2,333,966)
Changes of Assumptions	1,023,392		1,023,392
Contributions			
Employer - City's contribution		940,286	(940,286)
Employer - implicit subsidy		234,234	(234,234)
Employee			-
Net Investment Income		370,618	(370,618)
Benefit payments, including Refunds of Employee			
Contributions	(669,829)	(669,829)	-
Implicit Rate Subsidy Fulfilled	(234,234)	(234,234)	-
Administrative Expense		(1,269)	1,269
Net changes	<u>(738,073)</u>	<u>639,806</u>	<u>(1,377,879)</u>
Balance at June 30, 2020	<u>\$14,465,936</u>	<u>\$6,519,763</u>	<u>\$7,946,173</u>
District	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019	<u>\$1,986,788</u>	<u>\$1,773,876</u>	<u>\$212,912</u>
Changes for the year:			
Service Cost	140,544		140,544
Interest on the Total OPEB Liability	152,041		152,041
Differences between Expected and Actual Experience	(956,257)		(956,257)
Change in assumptions	98,289		98,289
Net Investment Income		113,037	(113,037)
Contributions			
Employer - City's contribution		139,141	(139,141)
Employer - implicit subsidy		34,595	(34,595)
Employee			-
Benefit payments, including Refunds of Employee			
Contributions	(43,125)	(43,125)	-
Implicit Rate Subsidy Fulfilled	(34,595)	(34,595)	-
Administrative Expense		(385)	385
Other Changes			-
Net changes	<u>(643,103)</u>	<u>208,668</u>	<u>(851,771)</u>
Balance at June 30, 2020	<u>\$1,343,685</u>	<u>\$1,982,544</u>	<u>(\$638,859)</u>
June 30, 2020 Total, Both Plans	<u>\$15,809,621</u>	<u>\$8,502,307</u>	<u>\$7,307,314</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Detailed information about the OPEB plans' fiduciary net position is available in the separately issued CalPERS CAFR that may be obtained from CalPERS website.

OPEB liabilities are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net OPEB liabilities is liquidated primarily by the General Fund and the Belmont Fire Protection District Special Revenue Fund.

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

The following presents the net OPEB liability of the City and District, as well as what the City's or District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

<u>City</u>	<u>Trend Rate</u>
1% Decrease	5.75%
Net OPEB Liability (Asset)	\$9,810,054
Current Discount Rate	6.75%
Net OPEB Liability (Asset)	\$7,946,173
1% Increase	7.75%
Net OPEB Liability (Asset)	\$6,404,558
<u>District</u>	<u>Trend Rate</u>
1% Decrease	5.75%
Net OPEB Liability (Asset)	(\$474,794)
Current Discount Rate	6.75%
Net OPEB Liability (Asset)	(\$638,859)
1% Increase	7.75%
Net OPEB Liability (Asset)	(\$772,877)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

<u>City</u>	<u>Trend Rate</u>
1% Decrease	6.25% Decreasing to 3.0%
Net OPEB Liability (Asset)	\$6,267,754
Trend Rate	7.25% Decreasing to 4.0%
Net OPEB Liability (Asset)	\$7,946,173
1% Increase	8.25% Decreasing to 5.0%
Net OPEB Liability (Asset)	\$9,999,447
<u>District</u>	<u>Trend Rate</u>
1% Decrease	6.25% Decreasing to 3.0%
Net OPEB Liability (Asset)	(\$770,016)
Trend Rate	7.25% Decreasing to 4.0%
Net OPEB Liability (Asset)	(\$638,859)
1% Increase	8.25% Decreasing to 5.0%
Net OPEB Liability (Asset)	(\$481,067)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2020, the City and District recognized OPEB expense of \$778,583 and (\$702,691), respectively. At June 30, 2020, the City and District reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>City</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$1,062,326	\$ -
Differences between actual and expected experience	-	(1,995,710)
Changes of assumptions	875,074	(305,691)
Net differences between projected and actual earnings on OPEB plan investments	-	(9,509)
Total	<u>\$1,937,400</u>	<u>(\$2,310,910)</u>
<u>District</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$18,374	\$ -
Differences between actual and expected experience	-	-
Changes of assumptions	-	(37,060)
Net differences between projected and actual earnings on OPEB plan investments	741	-
Total	<u>\$19,115</u>	<u>(\$37,060)</u>
Grand Total, Both Plans	<u>\$1,956,515</u>	<u>(\$2,347,970)</u>

\$1,080,700 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, 2021. 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 Amortization	
	City	District
2021	(\$267,888)	(\$7,100)
2022	(267,887)	(7,096)
2023	(242,857)	(1,504)
2024	(240,177)	(799)
2025	(246,081)	(4,310)
Thereafter	(170,946)	(15,510)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

F. *Deferred Compensation Plans*

City/District employees may defer a portion of their compensation under City/District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The City/District has no liability for any losses incurred by the Plans and do not participate in any gains, but do have the duty of due care that would be required of an ordinary prudent investor. The City/District have contracts with various Administrators to manage and invest the assets of the Plans. The administrators pool the assets of the Plans with those of other participants and do not make separate investments for the City/District. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under these plans are not the City's /District's property and are not subject to claims by general creditors of the City/District, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plans investments to accrue directly to Participants accounts.

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation.

The City is a member of the California State Association of Counties Excess Insurance Authority (CSAC EIA) for general liability, worker's compensation and other coverage. CSAC-EIA is a public entity risk pool of cities and counties within California. Loss contingency reserves established by the CSAC-EIA are funded by contributions from member agencies. The City pays an annual contribution to the CSAC-EIA, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid contributions of \$946,612 for the year ended June 30, 2020. CSAC-EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC-EIA is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

Audited financial statements for CSAC-EIA are available from CSAC-EIA, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 12 – RISK MANAGEMENT (Continued)

A. *Liability Coverage*

The CSAC-EIA provides general liability coverage up to \$25,000,000 per occurrence above the City's \$250,000 self-insured retention. The City has auto physical damage commercial coverage through CSAC-EIA of \$3,366,531 above the City's deductible of \$1,000 or \$5,000, depending on the size of the vehicle, and commercial property coverage at the replacement value of the property with a limit of \$200,000,000 above the City's deductible of \$10,000. The City also purchases pollution insurance through CSAC-EIA with coverage of \$10,000,000 per occurrence and up to \$50,000,000 in aggregate above the City's deductible of \$75,000.

During fiscal year 2020, the property insurance limit was reduced from \$1 billion to \$200,000,000 due to a change in the insurance provider's policies. In addition, the District had previously purchased separate general liability and property coverage, but with the transfer of the District's buildings to the City, those policies lapsed and the District is now covered under the City's policies.

B. *Workers Compensation Coverage*

Effective December 1, 2004 the City purchased insurance for workers compensation through CSAC-EIA with coverage up to statutory limits after the City's self-insured retention of zero. This policy also covers the District as of October 1, 2011. Prior to those dates, the City purchased commercial insurance for workers compensation coverage up to statutory limits that had deductibles ranging from \$100,000 to \$275,000. The City had no deductible for these losses.

C. *Liability for Uninsured Claims*

The City provides for the uninsured portion of claims and judgments in the Workers' Compensation and General Liability Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

For the fiscal years ended June 30, 2020, 2019 and 2018 the amount of settlements did not exceed insurance coverage.

The City's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by management based on prior year's claims experience as follows:

	2020	2019
Balance, July 1	\$934,481	\$1,928,213
Net change in claims liabilities	147,330	(912,192)
Claims paid	(82,137)	(81,540)
Balance, June 30	<u>\$999,674</u>	<u>\$934,481</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 13 – JOINT VENTURES

The City participates in the joint ventures discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City generally does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

A. Equity interests

The City has recorded its equity interest in the following joint ventures:

Silicon Valley Clean Water Joint Powers Authority (SVCW), formerly known as the South Bayside System Authority, was formed in 1975 between the Cities of San Carlos, Belmont and Redwood City and the West Bay Sanitary District to operate a wastewater treatment facility. The cost of operating and maintaining the facility is divided in proportion to the volume of sewage entering from each member entity. The City's proportionate share of operating and maintaining the facility during the year ended, June 30, 2020 was \$3,004,200.

In addition, during fiscal year 2009, the SVCW and its members authorized the commencement of a major renovation and replacement project to its infrastructure wastewater facility. In conjunction with that project, the City is obligated to fund its share of project costs. Financial statements may be obtained by mailing a request to the Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

The City has an equity interest in the assets of SVCW, which has been recorded as Investment in SVCW in the Sewer Enterprise Funds based on the latest audited financial statements of SVCW as of June 30, 2019, plus the additional capital contribution made during the year ended June 30, 2020. The loss from investment in SVCW was \$652,586 for the year ended June 30, 2020, and the investment was comprised of the following:

	<u>Sewer Collections</u>	<u>Sewer Treatment</u>	<u>Total</u>
Balance June 30, 2019	\$2,771,450	\$32,281,268	\$35,052,718
Change in investment	(652,586)		(652,586)
Additional Capital Contribution		6,990,138	6,990,138
Balance June 30, 2020	<u>\$2,118,864</u>	<u>\$39,271,406</u>	<u>\$41,390,270</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 13 – JOINT VENTURES (Continued)

San Mateo Consolidated Fire Department (SMC Fire) Joint Powers Authority (JPA) was established on November 22, 2017 by the City of San Mateo, the City of Belmont/Belmont Fire Protection District and the City of Foster City/Estero Municipal Improvement District to provide integrated and comprehensive fire protection, fire prevention, and emergency response services to all three communities serving a population of over 164,000. SMC Fire commenced operations on January 13, 2019. Thereafter, certain costs, including the annual employer contribution associated with unfunded CalPERS pension liability remain with Belmont. Effective January 13, 2019, Belmont’s financial contributions to SMC Fire are accounted for annually as an investment in equity interest in its government-wide financial statements.

SMC Fire is governed under the terms of the JPA Agreement by a Board of Directors consisting of one voting representative and one alternate who are elected members from the governing boards of the three JPA Member Agencies. Each member agency has the following weighted vote: City of San Mateo (60%), Belmont (20%) and City of Foster City (20%). The City’s contributions to SMC Fire in fiscal year 2020 to fund capital outlay and operations totaled \$7,882,848. The City has an equity interest in the assets of SMC Fire, which has been recorded as an Investment in SMC Fire in the governmental activities based on the latest audited financial statements of SMC Fire as of June 30, 2019, plus the capital contributions made during the year ended June 30, 2020, and the investment is comprised of the following:

	Governmental Activities
Balance June 30, 2019	\$2,567,925
Additional Capital Contribution	646,400
Balance June 30, 2020	\$3,214,325

Audited financial statements are available from City of San Mateo, 330 West 20th Avenue, San Mateo, CA 94403.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 13 – JOINT VENTURES (Continued)

B. Other Jointly Governed Organizations

The City also participates in the following jointly governed organizations under which it is obligated to fund annual operating costs, but there is no ongoing equity interest in the assets of the organizations:

City/County Association of Governments of San Mateo County (C/CAG) was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use, hazardous waste and county-wide housing element. The City's contribution to C/CAG was \$85,503 for the year ended June 30, 2020. Financial statements may be obtained by mailing a request to the City of San Carlos, 666 Elm Street, San Carlos, CA 94070.

Peninsula Traffic Congestion Relief Agency was formed by the cities of San Mateo County and San Mateo County to attempt to mitigate traffic congestion. The Agency is funded through a Countywide sales tax levied for transportation systems improvements.

Belmont-San Carlos Fire Department was formed in 1979 between the City of San Carlos and Belmont Fire Protection District on an equal basis to provide more efficient fire protection services. Any assets used by the Department but owned by the member agencies prior to the creation of the Department remain the property of the members.

On September 30, 2011, the Department terminated providing services to the Members. As a result, the Department's employees were laid off, its capital assets were distributed to the Members and certain lease obligations were assumed by the Members. Subsequent to that date, the Department operates in an inactive mode, collecting Member contributions to fund legacy costs, such as pension and retiree medical obligations and claims payable, remaining after service termination. As required under the Agreement, these legacy costs are funded through contributions from Members according to the average of annual funding formulas used to determine Member contributions. The City's contribution was roughly \$1.5 million for the year ended June 30, 2020.

The Department had a negative net position balance of \$29.2 million per its audited financial statements as of June 30, 2020. Belmont's share of this balance was 47.1% or approximately \$13.7 million. The negative position is due to unfunded liabilities of the Department.

South Bayside Waste Management Authority (SBWMA) is a joint powers agreement formed on October 13, 1999. Members of the South Bayside Waste Management Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The Members are required by AB939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The South Bayside Waste Management Authority's purpose is to assist its members in meeting these requirements.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

A. *Litigation*

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

B. *Grant Programs*

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. *San Mateo County Animal Shelter*

Since 1951 cities in San Mateo County have contracted with the County to manage animal control field and sheltering services. The current shelter has been determined to be inadequate to meet current animal sheltering services. In May 2014, all the municipalities signed an agreement, effective September 9, 2014, to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest free lease agreement in the amount of \$20.2 million. The City's share of annual lease payment is based on a methodology of three year average of shelter use and percentage of population. The City's estimated annual lease payment is \$21,811. Payments commence after the new animal shelter facility is completed, and are due each July 1st.

D. *COVID-19 Global Pandemic*

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether shelter in place orders will be reinstated. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales and transient occupancy taxes, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. *Redevelopment Dissolution*

Effective January 31, 2012, all Redevelopment Agencies were dissolved. Certain assets of the former Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining former Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

ABx1 26 and AB1484 directed the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The Belmont Successor Agency received a Finding of Completion from the California Department of Finance (DOF) in October 1, 2014, pursuant to Health and Safety Code (HSC) Section 34179.7.

The City, acting as the Successor Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484, which was approved by the Belmont Oversight Board on February 12, 2015, and subsequently submitted to the State DOF. Following the submission of the LRPMP to DOF, the Successor Agency identified additional information which necessitated revising the LRPMP previously submitted. On May 28, 2015, the Successor Agency Oversight Board approved a revised LRPMP, which was approved by the State DOF on September 4, 2015.

On December 19, 2017, the State DOF approved the Belmont Successor Agency's Last and Final Recognized Obligations Payment Schedule.

B. *San Mateo Countywide Consolidated Oversight Board*

On July 1, 2018, the duties of the Belmont Oversight Board transferred to a new San Mateo Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all Successor Agencies in San Mateo County, including the Belmont Successor Agency.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

C. Long-Term Debt

1. Current Year Transactions and Balances

The Successor Agency assumed the long-term obligations of the former Redevelopment Agency as of February 2012. The debt issues and transactions are summarized below.

	Balance June 30, 2019	Retirements	Balance as of June 30, 2020	
			Due Within One Year	Due Beyond One Year
Redevelopment Long-Term Bonds Payable:				
2014 Series A Refunding Bonds,				
2.22%-3.41%, due serially to 2030	\$4,225,000	\$555,000	\$575,000	\$3,095,000
2014 Series B Subordinated Bonds,				
2.33%-3.89%, due serially to 2030	2,170,000	165,000	165,000	1,840,000
Total	<u>\$6,395,000</u>	<u>\$720,000</u>	<u>\$740,000</u>	<u>\$4,935,000</u>

On August 19, 2014, the Successor Agency issued the \$7,375,000 Series 2014A Senior Tax Allocation Refunding Bonds to facilitate a current refunding of the outstanding 1999A Bonds; and the \$3,050,000 Series 2014AB Subordinate Tax Allocation Refunding Bonds to facilitate a current refunding of both outstanding 1999B Bonds and 1996 Housing Set-Aside Bonds. The pledge of future incremental tax revenue ends upon repayment of \$6,498,437 for Series 2014A and Series 2014B Bonds in remaining debt service which is scheduled to occur in 2030.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

2. Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest
2021	\$740,000	\$188,015
2022	775,000	161,545
2023	800,000	134,025
2024	825,000	105,634
2025	855,000	76,278
2026 - 2028	970,000	131,836
2029 - 2030	710,000	26,104
Total	<u>\$5,675,000</u>	<u>\$823,437</u>

D. State Approval of Enforceable Obligations

The Successor Agency previously prepared a Recognized Obligation Payment Schedule (ROPS) annually that contained all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The State Department of Finance approved the Successor Agency's Last and Final ROPS on December 19, 2017, which details the maximum RPTTF distribution of \$8,318,869 over the next 12 years. The Successor Agency will receive semi-annual RPTTF distributions up to the maximum approved amount on the Last and Final ROPS and can submit no more than two requests to amend the approved Last and Final ROPS.

REQUIRED SUPPLEMENTARY INFORMATION

City of Belmont
 Cost Sharing Multiple-Employer Defined Benefit Pension Plan
 Last 10 Years*
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Safety Rate Plan					
Measurement Date - June 30,	2014	2015	2016	2017	2018	2019
Plan's proportion of the Net Pension Liability (Asset)	0.20%	0.20%	0.31%	0.31%	0.31%	0.31%
Plan's proportion share of the Net Pension Liability (Asset)	\$12,312,595	\$13,427,040	\$16,249,057	\$18,263,828	\$18,172,487	\$19,293,513
Plan's Covered Payroll	\$3,572,606	\$3,842,764	\$4,758,030	\$4,919,474	\$5,180,593	\$4,397,264
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	345%	349%	342%	371%	351%	439%
	Miscellaneous Rate Plan					
Measurement Date - June 30,	2014	2015	2016	2017	2018	2019
Plan's proportion of the Net Pension Liability (Asset)	0.48%	0.48%	0.48%	0.48%	0.48%	0.50%
Plan's proportion share of the Net Pension Liability (Asset)	\$16,585,515	\$13,198,544	\$16,585,515	\$19,048,251	\$18,686,649	\$20,209,752
Plan's Covered Payroll	\$8,929,517	\$8,858,005	\$9,854,986	\$10,289,053	\$10,592,598	\$10,632,569
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	186%	149%	168%	185%	176%	190%
	Plan Totals					
Measurement Date - June 30,	2014	2015	2016	2017	2018	2019
Plan's proportion of the Net Pension Liability (Asset)	0.68%	0.68%	0.79%	0.79%	0.79%	0.81%
Plan's proportion share of the Net Pension Liability (Asset)	\$28,898,110	\$26,625,584	\$32,834,572	\$37,312,079	\$36,859,136	\$39,503,265
Plan's Covered Payroll	\$12,502,123	\$12,700,769	\$14,613,016	\$15,208,527	\$15,773,191	\$15,029,833
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	231.15%	209.64%	224.69%	245.34%	233.68%	262.83%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%

* Fiscal year 2015 was the first year of implementation

City of Belmont
 Cost Sharing Multiple-Employer Defined Benefit Pension Plan
 Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30,	Safety Rate Plan					
	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$1,125,011	\$2,287,426	\$2,058,664	\$2,263,676	\$2,293,736	\$2,660,652
Contributions in relation to the actuarially determined contributions	<u>(1,125,011)</u>	<u>(2,287,426)</u>	<u>(2,058,664)</u>	<u>(2,263,676)</u>	<u>(2,293,736)</u>	<u>(2,660,652)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$3,842,764	\$4,758,030	\$4,919,474	\$5,180,593	\$4,397,264	\$4,078,548
Contributions as a percentage of covered payroll	29.28%	48.08%	41.85%	43.70%	52.16%	65.24%
	Miscellaneous Rate Plan					
Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$1,137,293	\$1,903,476	\$1,523,004	\$1,663,314	\$1,921,271	\$2,633,458
Contributions in relation to the actuarially determined contributions	<u>(1,137,293)</u>	<u>(1,903,476)</u>	<u>(1,523,004)</u>	<u>(1,663,314)</u>	<u>(1,921,271)</u>	<u>(2,633,458)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$8,858,005	\$9,854,986	\$10,289,053	\$10,592,598	\$10,632,569	\$9,489,183
Contributions as a percentage of covered payroll	12.84%	19.31%	14.80%	15.70%	18.07%	27.75%
	Plan Totals					
Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$2,262,304	\$4,190,902	\$3,581,668	\$3,926,990	\$4,215,007	\$5,294,110
Contributions in relation to the actuarially determined contributions	<u>(2,262,304)</u>	<u>(4,190,902)</u>	<u>(3,581,668)</u>	<u>(3,926,990)</u>	<u>(4,215,007)</u>	<u>(5,294,110)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$12,700,769	\$14,613,016	\$15,208,527	\$15,773,191	\$15,029,833	\$13,567,731
Contributions as a percentage of covered payroll	17.81%	28.68%	23.55%	24.90%	28.04%	39.02%

* Fiscal year 2015 was the first year of implementation.

City of Belmont
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Agent Multiple Employer Defined Benefit OPEB Plan
For the measurement year ending June 30
Last 10 Years*

Measurement Date - June 30,	2017	2018	2019
Total OPEB Liability			
Service Cost	\$370,743	\$381,865	\$375,298
Interest on the total OPEB Liability	1,013,089	1,022,229	1,101,266
Actual and expected experience difference	-	-	(2,333,966)
Changes in assumptions	-	(430,465)	1,023,392
Changes in benefit terms	-	-	-
Benefit Payments	(592,208)	(608,758)	(669,829)
Implicit rate subsidy fulfilled	(218,910)	(234,234)	(234,234)
Net change in total OPEB liability	572,714	130,637	(738,073)
Total OPEB liability - beginning	14,500,658	15,073,372	15,204,009
Total OPEB liability - ending (a)	<u>\$15,073,372</u>	<u>\$15,204,009</u>	<u>\$14,465,936</u>
Plan fiduciary net position			
Contributions - employer-City's contribution	\$920,754	\$880,232	\$1,174,520
Contributions - employer-implicit subsidy	218,910	234,234	
Net investment income	465,943	401,898	370,618
Benefit payments	(592,208)	(608,758)	(669,829)
Implicit rate subsidy fulfilled	(218,910)	(234,234)	(234,234)
Administrative expense	(2,373)	(2,813)	(1,269)
Net change in plan fiduciary net position	792,116	670,559	639,806
Plan fiduciary net position - beginning	4,417,282	5,209,398	5,879,957
Plan fiduciary net position - ending (b)	<u>\$5,209,398</u>	<u>\$5,879,957</u>	<u>\$6,519,763</u>
 Net OPEB liability - ending (a)-(b)	 <u>\$9,863,974</u>	 <u>\$9,324,052</u>	 <u>\$7,946,173</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 34.56%	 38.67%	 45.07%
 Covered-Employee Payroll	 \$13,696,266	 \$14,265,327	 \$14,953,325
 Net OPEB liability as percentage of covered-employee payroll	 72.02%	 65.36%	 53.14%

Notes to Schedule:

*The City adopted GASB 75 during the fiscal year ended June 30, 2018.

City of Belmont
For the fiscal year ending June 30
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS
Agent Multiple Employer Defined Benefit OPEB Plan

Fiscal Year Ending June 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$1,153,043	\$1,229,277	\$1,018,423
Contributions in relation to the actuarially determined contributions	<u>(1,139,664)</u>	<u>(1,174,520)</u>	<u>(1,062,326)</u>
Contribution deficiency (excess)	<u>\$13,379</u>	<u>\$54,757</u>	<u>(\$43,903)</u>
 Covered-employee payroll	 \$14,265,327	 \$14,953,325	 \$15,418,025
 Contributions as a percentage of covered-employee payroll	 8%	 8%	 7%

Notes to Schedule

Valuation date:	7/1/2017	7/1/2017	7/1/2019
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Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal, level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization Period	20 years
Inflation	2.5% for 2018 and 2019; 2.75% for 2020
Assumed Payroll Growth	3.0% for 2018 and 2.75% for 2019
Healthcare trend rates	6.50%, trending down to 3.84% for 2018 7.0%, trending down to 3.84% for 2019 6.3%, trending down to 4.0% for 2020
Rate of return on assets	7.0% for 2018, 7.28% for 2019 and 6.75% for 2020
Mortality rate	CalPERS Rates
Retirement Rates	CalPERS Rates

* Fiscal year 2018 was the first year of implementation.

City of Belmont
Schedule of Changes in the Belmont Fire Protection District's
Net OPEB Liability and Related Ratios
Agent Multiple Employer Defined Benefit OPEB Plan
For the measurement year ending June 30
Last 10 Years*

Measurement Date - June 30,	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB Liability			
Service Cost	\$135,523	\$139,589	\$140,544
Interest on the total OPEB Liability	123,123	132,415	152,041
Actual and expected experience difference	-	-	(956,257)
Changes in assumptions	-	(45,680)	98,289
Changes in benefit terms	-	-	-
Benefit Payments	(60,100)	(39,972)	(43,125)
Implicit rate subsidy fulfilled	(32,332)	(34,595)	(34,595)
Net change in total OPEB liability	<u>166,214</u>	<u>151,757</u>	<u>(643,103)</u>
Total OPEB liability - beginning	<u>1,668,817</u>	<u>1,835,031</u>	<u>1,986,788</u>
Total OPEB liability - ending (a)	<u>\$1,835,031</u>	<u>\$1,986,788</u>	<u>\$1,343,685</u>
Plan fiduciary net position			
Contributions - employer-District's contribution	\$338,844	\$179,326	\$173,736
Contributions - employer-implicit subsidy	32,332	34,595	0
Net investment income	90,364	114,253	113,037
Investment Gains on Expected Return	27,956	-	-
Benefit payments	(60,100)	(39,972)	(43,125)
Implicit rate subsidy fulfilled	(32,332)	(34,595)	(34,595)
Administrative expense	(608)	(839)	(385)
Net change in plan fiduciary net position	<u>396,456</u>	<u>252,768</u>	<u>208,668</u>
Plan fiduciary net position - beginning	<u>1,124,652</u>	<u>1,521,108</u>	<u>1,773,876</u>
Plan fiduciary net position - ending (b)	<u>\$1,521,108</u>	<u>\$1,773,876</u>	<u>\$1,982,544</u>
Net OPEB liability - ending (a)-(b)	<u>\$313,923</u>	<u>\$212,912</u>	<u>(\$638,859)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	82.89%	89.28%	147.55%
Covered-employee payroll	\$4,177,634	\$4,249,486	\$2,979,220
Net OPEB liability as percentage of covered-employee payroll	7.51%	5.01%	-21.44%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

City of Belmont
 Belmont Fire Protection District
 For the fiscal year ending June 30
 Last 10 Years*

SCHEDULE OF CONTRIBUTIONS
 Agent Multiple Employer Defined Benefit OPEB Plan

Fiscal Year Ending	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$185,827	\$165,429	\$0
Contributions in relation to the actuarially determined contributions	(371,176)	(213,921)	(18,374)
Contribution deficiency (excess)	<u>(\$185,349)</u>	<u>(\$48,492)</u>	<u>(\$18,374)</u>
Covered payroll	\$4,249,486	\$2,979,220	\$217,500
Contributions as a percentage of covered payroll	8.73%	7.18%	8.45%

Notes to Schedule

Valuation date:	7/1/2017	7/1/2017	7/1/2019
-----------------	----------	----------	----------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Amortization period	20 years
Inflation	2.5% for 2018 and 2019; 2.75% for 2020
Assumed Payroll Growth	3.0% for 2018 and 2.75% for 2019
Healthcare trend rates	6.50%, trending down to 3.84% for 2018 7.0%, trending down to 3.84% for 2019 6.3%, trending down to 4.0% for 2020
Rate of return on assets	7.0% for 2018, 7.28% for 2019 and 6.75% for 2020
Mortality rate	CalPERS Rates
Retirement Rates	CalPERS Rates

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTAL INFORMATION

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CITY OF BELMONT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	General	Measure I	Total General Fund
REVENUES			
Taxes	\$14,538,615	\$1,614,275	\$16,152,890
Licenses and permits	921,183		921,183
Fines and forfeitures	160,211		160,211
Use of money and property	1,506,517	35,707	1,542,224
Intergovernmental	4,273,318		4,273,318
Charges for current services	5,156,646		5,156,646
Miscellaneous	139,404		139,404
Total Revenues	26,695,894	1,649,982	28,345,876
EXPENDITURES			
Current:			
General government	6,251,896		6,251,896
Public safety	14,216,277		14,216,277
Culture and recreation	2,286,974		2,286,974
Capital outlay		1,493,552	1,493,552
Total Expenditures	22,755,147	1,493,552	24,248,699
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,940,747	156,430	4,097,177
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(5,149,358)	(958,744)	(6,108,102)
Total Other Financing Sources (Uses)	(5,149,358)	(958,744)	(6,108,102)
NET CHANGE IN FUND BALANCES	(1,208,611)	(802,314)	(2,010,925)
BEGINNING FUND BALANCES	14,845,758	2,903,606	17,749,364
ENDING FUND BALANCES	\$13,637,147	\$2,101,292	\$15,738,439

CITY OF BELMONT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	General			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Taxes	\$15,532,984	\$16,082,337	\$14,538,615	(\$1,543,722)
Licenses and permits	1,044,600	1,044,600	921,183	(123,417)
Fines and forfeitures	170,000	170,000	160,211	(9,789)
Use of money and property	1,078,214	1,078,214	1,506,517	428,303
Intergovernmental	4,290,763	4,086,073	4,273,318	187,245
Charges for current services	5,176,890	5,176,890	5,156,646	(20,244)
Miscellaneous	5,657	5,657	139,404	133,747
Total Revenues	<u>27,299,108</u>	<u>27,643,771</u>	<u>26,695,894</u>	<u>(947,877)</u>
EXPENDITURES:				
Current:				
General government	6,336,578	6,489,917	6,251,896	238,021
Public safety	14,449,628	14,448,016	14,216,277	231,739
Culture and recreation	2,320,858	2,326,036	2,286,974	39,062
Capital outlay				
Total Expenditures	<u>23,107,064</u>	<u>23,263,969</u>	<u>22,755,147</u>	<u>508,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,192,044	4,379,802	3,940,747	(439,055)
OTHER FINANCING SOURCES USES				
Transfers out	<u>(5,005,107)</u>	<u>(5,737,872)</u>	<u>(5,149,358)</u>	<u>588,514</u>
NET CHANGE IN FUND BALANCE	<u>(\$813,063)</u>	<u>(\$1,358,070)</u>	(1,208,611)	<u>\$149,459</u>
BEGINNING FUND BALANCE			<u>14,845,758</u>	
ENDING FUND BALANCE			<u>\$13,637,147</u>	

Measure I				Total General Fund			
Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$1,700,188	\$1,815,517	\$1,614,275	(\$201,242)	\$17,233,172	\$17,897,854	\$16,152,890	(\$1,744,964)
				1,044,600	1,044,600	921,183	(123,417)
				170,000	170,000	160,211	(9,789)
25,140	25,140	35,707	10,567	1,103,354	1,103,354	1,542,224	438,870
				4,290,763	4,086,073	4,273,318	187,245
				5,176,890	5,176,890	5,156,646	(20,244)
				5,657	5,657	139,404	133,747
<u>1,725,328</u>	<u>1,840,657</u>	<u>1,649,982</u>	<u>(190,675)</u>	<u>29,024,436</u>	<u>29,484,428</u>	<u>28,345,876</u>	<u>(1,138,552)</u>
				6,336,578	6,489,917	6,251,896	238,021
				14,449,628	14,448,016	14,216,277	231,739
				2,320,858	2,326,036	2,286,974	39,062
<u>2,748,000</u>	<u>3,349,861</u>	<u>1,493,552</u>	<u>1,856,309</u>	<u>2,748,000</u>	<u>3,349,861</u>	<u>1,493,552</u>	<u>1,856,309</u>
<u>2,748,000</u>	<u>3,349,861</u>	<u>1,493,552</u>	<u>1,856,309</u>	<u>25,855,064</u>	<u>26,613,830</u>	<u>24,248,699</u>	<u>2,365,131</u>
(1,022,672)	(1,509,204)	156,430	1,665,634	3,169,372	2,870,598	4,097,177	1,226,579
<u>(958,744)</u>	<u>(958,744)</u>	<u>(958,744)</u>		<u>(5,963,851)</u>	<u>(6,696,616)</u>	<u>(6,108,102)</u>	<u>588,514</u>
<u>(\$1,981,416)</u>	<u>(\$2,467,948)</u>	<u>(802,314)</u>	<u>\$1,665,634</u>	<u>(\$2,794,479)</u>	<u>(\$3,826,018)</u>	<u>(2,010,925)</u>	<u>\$1,815,093</u>
		<u>2,903,606</u>				<u>17,749,364</u>	
		<u>\$2,101,292</u>				<u>\$15,738,439</u>	

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation – To account for certain recreation programs where a large portion of the expenditures are financed by user fees.

Library Maintenance and Operations – To account for funds restricted for the maintenance and operations of the library, which is financed by parcel tax and special tax revenue.

City Trees – To account for the removal of trees required for the development of property, which is financed by user fees.

Development Services - To account for resources received from current planning and building inspection fees and permits, and activities related to the General Plan Update which are financed by user fees.

Supplemental Law Enforcement Services – To account for resources received from the State of California to be spent on front line law enforcement needs.

Public Safety – To account for grants and donations committed to the Police Department’s activities.

Street Maintenance – To account for gas tax resources restricted for expenditure on streets.

Street Improvements – To account for the City’s portion of the special half cent sales tax receipts restricted for street expenditures and other street related grants.

Athletic Field Maintenance – To account for athletic field maintenance and operations, which are financed by player registration fees.

Low & Moderate Income Housing Asset Fund – To account for Housing functions of the former Redevelopment Agency that have been retained by the City. The revenue sources are primarily from rental activities.

Housing Inclusionary – The Housing Inclusionary Fund is used to account for residential and non-residential housing mitigation fees which lessen the burdens created by new residential and non-residential development projects on the need for extremely low, very low, low, and moderate-income housing, interest earned thereon and their expenditures, pursuant to the Mitigation Fee Act.

Road Maintenance and Rehabilitation Account Fund (RMRA) – To account for gas tax resources restricted for expenditure on basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017 provides funding for local streets and roads over the next 10 years.

Senior Donations Fund – To account for donations from the community to be used for senior services and programming.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

General Facilities – To account for the construction and maintenance of improvements to general-use City facilities.

Infrastructure – To account for expenditures associated with the City infrastructure, including streets, retaining walls, bridges, culverts, and waterways.

Comcast – To account for the purchase and installation of hardware within City Hall to broadcast events to Pen TV, our Public Education Government Channel.

Planned Park – To account for the acquisition and improvement of parks, playgrounds, and recreation facilities.

Special Assessment District – To account for maintenance and improvement costs within City's Special Assessment District boundaries. Resources represent funds remaining after the retirement of Special Assessment Debt.

Open Space – To account for the accumulation of resources for the acquisition, preservation, and improvements of open space.

Park Impact Fees – The Park Impact Fee Fund is to account for park impact fees, interest earned thereon and their expenditure, pursuant to the Mitigation Fee Act, needed to ensure that the City can construct park and recreation facilities and improvements needed for the population growth created by new development consistent with the policies of the City of Belmont General Plan.

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Recreation	Library Maintenance and Operations	City Trees	Development Services
ASSETS				
Cash and investments	\$49,306	\$1,031,389	\$365,030	\$593,032
Receivables:				
Accounts				
Due from other governmental agencies		12,978		
Notes				
Land held for redevelopment				
Total Assets	\$49,306	\$1,044,367	\$365,030	\$593,032
LIABILITIES				
Accounts payable and other liabilities	\$49,306	\$11,079	\$2,681	\$185,382
Due to other funds				
Deposits				29
Total Liabilities	49,306	11,079	2,681	185,411
FUND BALANCES				
Restricted		1,033,288	362,349	
Committed				407,621
Assigned				
Total Fund Balances		1,033,288	362,349	407,621
Total Liabilities and Fund Balances	\$49,306	\$1,044,367	\$365,030	\$593,032

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services	Public Safety	Street Maintenance	Street Improvements	Athletic Field Maintenance	Low & Moderate Income Housing Asset
\$5,449	\$35,448	\$893,208	\$945,344	\$329,320	
		32,351			
		72,576	55,919		
					\$788,230
					3,016,580
<u>\$5,449</u>	<u>\$35,448</u>	<u>\$998,135</u>	<u>\$1,001,263</u>	<u>\$329,320</u>	<u>\$3,804,810</u>
\$2,658		\$52,343	\$318,521	\$5,162	\$6,707
					51,011
					128,515
<u>2,658</u>		<u>52,343</u>	<u>318,521</u>	<u>5,162</u>	<u>186,233</u>
2,791		945,792	682,742	324,158	3,618,577
	\$35,448				
<u>2,791</u>	<u>35,448</u>	<u>945,792</u>	<u>682,742</u>	<u>324,158</u>	<u>3,618,577</u>
<u>\$5,449</u>	<u>\$35,448</u>	<u>\$998,135</u>	<u>\$1,001,263</u>	<u>\$329,320</u>	<u>\$3,804,810</u>

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	SPECIAL REVENUE FUND			CAPITAL PROJECTS FUNDS	
	Housing Inclusionary	Road Maintenance and Rehabilitation Account (SB1)	Senior Donations	General Facilities	Infrastructure
ASSETS					
Cash and investments	\$2,266,240	\$556,778	\$85,863	\$1,025,324	\$2,816,656
Receivables:					
Accounts					
Due from other governmental agencies		33,887			
Notes	1,000,000				
Land held for redevelopment					
Total Assets	\$3,266,240	\$590,665	\$85,863	\$1,025,324	\$2,816,656
LIABILITIES					
Accounts payable and other liabilities		\$2,688		\$5,250	\$621
Due to other funds					
Deposits					
Total Liabilities		2,688		5,250	621
FUND BALANCES					
Restricted	\$3,266,240	587,977	\$85,863		
Committed					
Assigned				1,020,074	2,816,035
Total Fund Balances	3,266,240	587,977	85,863	1,020,074	2,816,035
Total Liabilities and Fund Balances	\$3,266,240	\$590,665	\$85,863	\$1,025,324	\$2,816,656

CAPITAL PROJECTS FUNDS

Comcast	Planned Park	Special Assessment District	Open Space	Park Impact Fees	Total Nonmajor Governmental Funds
\$372,685	\$5,402,569	\$306,562	\$236,675	\$362,708	\$17,679,586
					32,351
					175,360
					1,788,230
					3,016,580
<u>\$372,685</u>	<u>\$5,402,569</u>	<u>\$306,562</u>	<u>\$236,675</u>	<u>\$362,708</u>	<u>\$22,692,107</u>
	\$742,542		\$2,070		\$1,387,010
					51,011
					128,544
	<u>742,542</u>		<u>2,070</u>		<u>1,566,565</u>
\$372,685	4,660,027	\$306,562		\$362,708	16,611,759
			234,605		443,069
					4,070,714
<u>372,685</u>	<u>4,660,027</u>	<u>306,562</u>	<u>234,605</u>	<u>362,708</u>	<u>21,125,542</u>
<u>\$372,685</u>	<u>\$5,402,569</u>	<u>\$306,562</u>	<u>\$236,675</u>	<u>\$362,708</u>	<u>\$22,692,107</u>

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Recreation	Library Maintenance and Operations	City Trees	Development Services
REVENUES				
Taxes		\$304,049		
Licenses and permits				\$1,235,052
Use of money and property	(\$1,593)	17,834	\$7,254	15,974
Intergovernmental	42,252			
Charges for current services	1,869,066		3,834	1,878,601
Miscellaneous	21,582			16,087
Total Revenues	1,931,307	321,883	11,088	3,145,714
EXPENDITURES				
Current:				
Public safety				
Highways and streets				
Culture and recreation	3,142,564	370,044	39,704	
Urban redevelopment				3,931,742
Capital outlay		25,000		
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	3,142,564	395,044	39,704	3,931,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,211,257)	(73,161)	(28,616)	(786,028)
OTHER FINANCING SOURCES (USES)				
Issuance of debt				
Transfers in	1,134,984			571,258
Total Other Financing Sources (Uses)	1,134,984			571,258
NET CHANGE IN FUND BALANCES	(76,273)	(73,161)	(28,616)	(214,770)
BEGINNING FUND BALANCES	76,273	1,106,449	390,965	622,391
ENDING FUND BALANCES	\$1,033,288	\$362,349	\$407,621	

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services	Public Safety	Street Maintenance	Street Improvements	Athletic Field Maintenance	Low & Moderate Income Housing Asset
		\$1,693,916	\$1,080,867		
\$428	\$389	4,194	13,241	\$3,446	\$94,253
155,948		753,715	944,285	51,729	
		725	54,958		
156,376	389	2,452,550	2,093,351	55,175	94,253
213,331	1,295	2,312,159		45,831	468,573
			4,117,205		
213,331	1,295	2,312,159	4,117,205	45,831	468,573
(56,955)	(906)	140,391	(2,023,854)	9,344	(374,320)
		805,401	958,744		
		805,401	958,744		
(56,955)	(906)	945,792	(1,065,110)	9,344	(374,320)
59,746	36,354		1,747,852	314,814	3,992,897
\$2,791	\$35,448	\$945,792	\$682,742	\$324,158	\$3,618,577

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>SPECIAL REVENUE FUNDS</u>			<u>CAPITAL PROJECTS FUNDS</u>	
	<u>Housing Inclusionary</u>	<u>Road Maintenance and Rehabilitation Account (SB1)</u>	<u>Senior Donations</u>	<u>General Facilities</u>	<u>Infrastructure</u>
REVENUES					
Taxes					
Licenses and permits					
Use of money and property	\$41,519	\$5,004	\$896	\$14,231	\$47,768
Intergovernmental		475,217			
Charges for current services	282,410				
Miscellaneous			3,550		
	<u>323,929</u>	<u>480,221</u>	<u>4,446</u>	<u>14,231</u>	<u>47,768</u>
Total Revenues					
EXPENDITURES					
Current:					
Public safety					
Highways and streets					
Culture and recreation					
Urban redevelopment					
Capital outlay		355,416		214,776	638,513
Debt service:					
Principal					
Interest and fiscal charges					
		<u>355,416</u>		<u>214,776</u>	<u>638,513</u>
Total Expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>323,929</u>	<u>124,805</u>	<u>4,446</u>	<u>(200,545)</u>	<u>(590,745)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt					
Transfers in				220,618	1,049,273
				<u>220,618</u>	<u>1,049,273</u>
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	323,929	124,805	4,446	20,073	458,528
BEGINNING FUND BALANCES	<u>2,942,311</u>	<u>463,172</u>	<u>81,417</u>	<u>1,000,001</u>	<u>2,357,507</u>
ENDING FUND BALANCES	<u>\$3,266,240</u>	<u>\$587,977</u>	<u>\$85,863</u>	<u>\$1,020,074</u>	<u>\$2,816,035</u>

CAPITAL PROJECTS FUNDS

Comcast	Planned Park	Special Assessment District	Open Space	Park Impact Fees	Total Nonmajor Governmental Funds
					\$3,078,832
					1,235,052
\$7,538	\$61,384	\$3,259	\$2,578	\$3,744	335,803
				16,329	1,625,240
					4,855,684
					96,902
<u>7,538</u>	<u>61,384</u>	<u>3,259</u>	<u>2,578</u>	<u>20,073</u>	<u>11,227,513</u>
					214,626
			12,501		2,312,159
46,843	2,020,816				3,610,644
					4,400,315
					7,418,569
	292,385				292,385
	41,615				41,615
<u>46,843</u>	<u>2,354,816</u>		<u>12,501</u>		<u>18,290,313</u>
<u>(39,305)</u>	<u>(2,293,432)</u>	<u>3,259</u>	<u>(9,923)</u>	<u>20,073</u>	<u>(7,062,800)</u>
	6,000,000				6,000,000
					4,740,278
	<u>6,000,000</u>				<u>10,740,278</u>
(39,305)	3,706,568	3,259	(9,923)	20,073	3,677,478
<u>411,990</u>	<u>953,459</u>	<u>303,303</u>	<u>244,528</u>	<u>342,635</u>	<u>17,448,064</u>
<u>\$372,685</u>	<u>\$4,660,027</u>	<u>\$306,562</u>	<u>\$234,605</u>	<u>\$362,708</u>	<u>\$21,125,542</u>

CITY OF BELMONT
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	RECREATION			LIBRARY MAINTENANCE AND OPERATIONS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$303,300	\$304,049	\$749
Licenses and permits						
Use of money and property		(\$1,593)	(\$1,593)	15,080	17,834	2,754
Intergovernmental	\$52,500	42,252	(10,248)			
Charges for current services	2,360,535	1,869,066	(491,469)			
Miscellaneous	15,450	21,582	6,132			
Total Revenues	<u>2,428,485</u>	<u>1,931,307</u>	<u>(497,178)</u>	<u>318,380</u>	<u>321,883</u>	<u>3,503</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation	3,206,459	3,142,564	63,895	382,480	370,044	12,436
Urban redevelopment						
Capital outlay				45,000	25,000	20,000
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>3,206,459</u>	<u>3,142,564</u>	<u>63,895</u>	<u>427,480</u>	<u>395,044</u>	<u>32,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(777,974)</u>	<u>(1,211,257)</u>	<u>(433,283)</u>	<u>(109,100)</u>	<u>(73,161)</u>	<u>35,939</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Issuance of debt						
Transfers in	1,158,530	1,134,984	(23,546)			
Total Other Financing Sources (Uses)	<u>1,158,530</u>	<u>1,134,984</u>	<u>(23,546)</u>			
NET CHANGE IN FUND BALANCES	<u>\$380,556</u>	<u>(76,273)</u>	<u>(\$456,829)</u>	<u>(\$109,100)</u>	<u>(73,161)</u>	<u>\$35,939</u>
BEGINNING FUND BALANCES		<u>76,273</u>			<u>1,106,449</u>	
ENDING FUND BALANCES					<u>\$1,033,288</u>	

SPECIAL REVENUE FUNDS

CITY TREES			DEVELOPMENT SERVICES			SUPPLEMENTAL LAW ENFORCEMENT SERVICES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$10,070	\$7,254	(\$2,816)	\$1,631,000	\$1,235,052	(\$395,948)	\$600	\$428	(\$172)
2,000	3,834	1,834	20,140	15,974	(4,166)	160,000	155,948	(4,052)
			2,336,523	1,878,601	(457,922)			
			7,000	16,087	9,087			
<u>12,070</u>	<u>11,088</u>	<u>(982)</u>	<u>3,994,663</u>	<u>3,145,714</u>	<u>(848,949)</u>	<u>160,600</u>	<u>156,376</u>	<u>(4,224)</u>
						193,764	213,331	(19,567)
60,000	39,704	20,296	4,577,524	3,931,742	645,782			
<u>60,000</u>	<u>39,704</u>	<u>20,296</u>	<u>4,577,524</u>	<u>3,931,742</u>	<u>645,782</u>	<u>193,764</u>	<u>213,331</u>	<u>(19,567)</u>
<u>(47,930)</u>	<u>(28,616)</u>	<u>19,314</u>	<u>(582,861)</u>	<u>(786,028)</u>	<u>(203,167)</u>	<u>(33,164)</u>	<u>(56,955)</u>	<u>(23,791)</u>
			685,168	571,258	(113,910)			
			685,168	571,258	(113,910)			
<u>(\$47,930)</u>	<u>(28,616)</u>	<u>\$19,314</u>	<u>\$102,307</u>	<u>(214,770)</u>	<u>(\$317,077)</u>	<u>(\$33,164)</u>	<u>(56,955)</u>	<u>(\$23,791)</u>
	<u>390,965</u>			<u>622,391</u>			<u>59,746</u>	
	<u>\$362,349</u>			<u>\$407,621</u>			<u>\$2,791</u>	

(Continued)

CITY OF BELMONT
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	PUBLIC SAFETY			STREET MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$1,216,304	\$1,693,916	\$477,612
Licenses and permits						
Use of money and property		\$389	\$389	1,000	4,194	3,194
Intergovernmental						
Charges for current services				669,660	753,715	84,055
Miscellaneous				500	725	225
Total Revenues		389	389	1,887,464	2,452,550	565,086
EXPENDITURES						
Current						
Public safety	\$2,200	1,295	905			
Highways and streets				2,749,776	2,312,159	437,617
Culture and recreation						
Urban redevelopment						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,200	1,295	905	2,749,776	2,312,159	437,617
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,200)	(906)	1,294	(862,312)	140,391	1,002,703
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Issuance of debt						
Transfers in				805,401	805,401	
Total Other Financing Sources (Uses)				805,401	805,401	
NET CHANGE IN FUND BALANCES	(2,200)	(906)	\$1,294	(\$56,911)	945,792	\$1,002,703
BEGINNING FUND BALANCES		36,354				
ENDING FUND BALANCES		\$35,448			\$945,792	

SPECIAL REVENUE FUNDS

STREET IMPROVEMENTS			ATHLETIC FIELD MAINTENANCE			LOW & MODERATE INCOME HOUSING ASSET		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$847,000	\$1,080,867	\$233,867						
30,200	13,241	(16,959)	\$5,010	\$3,446	(\$1,564)	\$95,070	\$94,253	(\$817)
1,182,360	944,285	(238,075)						
62,020	54,958	(7,062)	75,000	51,729	(23,271)			
<u>2,121,580</u>	<u>2,093,351</u>	<u>(28,229)</u>	<u>80,010</u>	<u>55,175</u>	<u>(24,835)</u>	<u>95,070</u>	<u>94,253</u>	<u>(817)</u>
			70,000	45,831	24,169	662,514	468,573	193,941
5,609,455	4,117,205	1,492,250						
<u>5,609,455</u>	<u>4,117,205</u>	<u>1,492,250</u>	<u>70,000</u>	<u>45,831</u>	<u>24,169</u>	<u>662,514</u>	<u>468,573</u>	<u>193,941</u>
(3,487,875)	(2,023,854)	1,464,021	10,010	9,344	(666)	(567,444)	(374,320)	193,124
						3,000,000		(3,000,000)
958,744	958,744					354,646		(354,646)
958,744	958,744					3,354,646		(3,354,646)
<u>(\$2,529,131)</u>	<u>(1,065,110)</u>	<u>\$1,464,021</u>	<u>\$10,010</u>	9,344	<u>(\$666)</u>	<u>\$2,787,202</u>	(374,320)	<u>(\$3,161,522)</u>
	<u>1,747,852</u>			<u>314,814</u>			<u>3,992,897</u>	
	<u>\$682,742</u>			<u>\$324,158</u>			<u>\$3,618,577</u>	

(Continued)

CITY OF BELMONT
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	HOUSING INCLUSIONARY			ROAD MAINTENANCE AND REHABILITATION ACCOUNT (SB1)		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property	\$45,270	\$41,519	(\$3,751)	\$450	\$5,004	\$4,554
Intergovernmental				500,629	475,217	(25,412)
Charges for current services	803,800	282,410	(521,390)			
Miscellaneous						
Total Revenues	<u>849,070</u>	<u>323,929</u>	<u>(525,141)</u>	<u>501,079</u>	<u>480,221</u>	<u>(20,858)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment	3,050,000		3,050,000			
Capital outlay				860,000	355,416	504,584
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>3,050,000</u>		<u>3,050,000</u>	<u>860,000</u>	<u>355,416</u>	<u>504,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,200,930)</u>	<u>323,929</u>	<u>2,524,859</u>	<u>(358,921)</u>	<u>124,805</u>	<u>483,726</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Issuance of debt						
Transfers in				34,957		(34,957)
Total Other Financing Sources (Uses)				<u>34,957</u>		<u>(34,957)</u>
NET CHANGE IN FUND BALANCES	<u>(\$2,200,930)</u>	<u>323,929</u>	<u>\$2,524,859</u>	<u>(\$323,964)</u>	<u>124,805</u>	<u>\$448,769</u>
BEGINNING FUND BALANCES		<u>2,942,311</u>			<u>463,172</u>	
ENDING FUND BALANCES		<u>\$3,266,240</u>			<u>\$587,977</u>	

SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS					
SENIOR DONATIONS			GENERAL FACILITIES			INFRASTRUCTURE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$500	\$896	\$396	\$20,130	\$14,231	(\$5,899)	\$40,220	\$47,768	\$7,548
5,000	3,550	(1,450)						
5,500	4,446	(1,054)	20,130	14,231	(5,899)	40,220	47,768	7,548
5,000		5,000						
			585,882	214,776	371,106	2,014,326	638,513	1,375,813
5,000		5,000	585,882	214,776	371,106	2,014,326	638,513	1,375,813
500	4,446	3,946	(565,752)	(200,545)	365,207	(1,974,106)	(590,745)	1,383,361
			220,618	220,618		1,049,273	1,049,273	
			220,618	220,618		1,049,273	1,049,273	
\$500	4,446	\$3,946	(\$345,134)	20,073	\$365,207	(\$924,833)	458,528	\$1,383,361
	81,417			1,000,001			2,357,507	
	\$85,863			\$1,020,074			\$2,816,035	

(Continued)

CITY OF BELMONT
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECT FUNDS					
	COMCAST			PLANNED PARK		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property				\$25,140	\$61,384	\$36,244
Intergovernmental	\$10,070	\$7,538	(\$2,532)	100,000		(100,000)
Charges for current services				406,000		(406,000)
Miscellaneous						
Total Revenues	<u>10,070</u>	<u>7,538</u>	<u>(2,532)</u>	<u>531,140</u>	<u>61,384</u>	<u>(469,756)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment						
Capital outlay	83,772	46,843	36,929	6,073,913	2,020,816	4,053,097
Debt service:						
Principal				302,699	292,385	10,314
Interest and fiscal charges				53,768	41,615	12,153
Total Expenditures	<u>83,772</u>	<u>46,843</u>	<u>36,929</u>	<u>6,430,380</u>	<u>2,354,816</u>	<u>4,075,564</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(73,702)</u>	<u>(39,305)</u>	<u>34,397</u>	<u>(5,899,240)</u>	<u>(2,293,432)</u>	<u>3,605,808</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Issuance of debt				6,000,000	6,000,000	
Transfers in						
Total Other Financing Sources (Uses)				<u>6,000,000</u>	<u>6,000,000</u>	
NET CHANGE IN FUND BALANCES	<u><u>(\$73,702)</u></u>	<u><u>(39,305)</u></u>	<u><u>\$34,397</u></u>	<u><u>\$100,760</u></u>	<u><u>3,706,568</u></u>	<u><u>\$3,605,808</u></u>
BEGINNING FUND BALANCES		<u>411,990</u>			<u>953,459</u>	
ENDING FUND BALANCES		<u><u>\$372,685</u></u>			<u><u>\$4,660,027</u></u>	

CAPITAL PROJECT FUNDS

SPECIAL ASSESSMENT DISTRICT			OPEN SPACE			PARK IMPACT FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$5,010	\$3,259	(\$1,751)	\$5,010	\$2,578	(\$2,432)	\$5,010	\$3,744	(\$1,266)
						1,293,500	16,329	(1,277,171)
<u>5,010</u>	<u>3,259</u>	<u>(1,751)</u>	<u>5,010</u>	<u>2,578</u>	<u>(2,432)</u>	<u>1,298,510</u>	<u>20,073</u>	<u>(1,278,437)</u>
			37,157	12,501	24,656			
			<u>37,157</u>	<u>12,501</u>	<u>24,656</u>			
<u>5,010</u>	<u>3,259</u>	<u>(1,751)</u>	<u>(32,147)</u>	<u>(9,923)</u>	<u>22,224</u>	<u>1,298,510</u>	<u>20,073</u>	<u>(1,278,437)</u>
<u>\$5,010</u>	<u>3,259</u>	<u>(\$1,751)</u>	<u>(\$32,147)</u>	<u>(9,923)</u>	<u>\$22,224</u>	<u>\$1,298,510</u>	<u>20,073</u>	<u>(\$1,278,437)</u>
	<u>303,303</u>			<u>244,528</u>			<u>342,635</u>	
	<u>\$306,562</u>			<u>\$234,605</u>			<u>\$362,708</u>	

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Workers' Compensation – To account for the City's and District's workers' compensation insurance program.

Liability Insurance – To account for coverage on the City's and District's general and automobile liability.

Self-Funded Vision – To account for the City's vision reimbursement plan for its employees.

Benefit Prefunding – To account for certain accrued employee benefits.

Fleet and Equipment Management – To account for the interdepartmental services provided by the Fleet Management division and Information Technology division.

Facilities Management – To account for the interdepartmental services provided by the Facilities Management Division.

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Self-Funded Vision</u>	<u>Benefit Prefunding</u>	<u>Fleet and Equipment Management</u>
ASSETS					
Cash and investments	\$1,408,043	\$1,454,555	\$11,307	\$1,552,027	\$2,850,388
Accounts receivable		1,690,000			1,912
Prepays and other assets					9,664
Depreciable capital assets, net					1,552,668
	<u>1,408,043</u>	<u>3,144,555</u>	<u>11,307</u>	<u>1,552,027</u>	<u>4,414,632</u>
LIABILITIES					
Accounts payable		10,324	11,307		143,090
Claims payable					
Current portion	17,502	392,889			
Due in more than one year	589,283				
Compensated absences					
Current portion					68,526
Due in more than one year					60,975
	<u>606,785</u>	<u>403,213</u>	<u>11,307</u>		<u>272,591</u>
NET POSITION					
Net investment in capital assets					1,552,668
Unrestricted	801,258	2,741,342		1,552,027	2,589,373
	<u>\$801,258</u>	<u>\$2,741,342</u>		<u>\$1,552,027</u>	<u>\$4,142,041</u>

<u>Facilities Management</u>	<u>Total</u>
\$219,659	\$7,495,979
	1,691,912
	9,664
<u>119,662</u>	<u>1,672,330</u>
<u>339,321</u>	<u>10,869,885</u>
59,543	224,264
	410,391
	589,283
24,589	93,115
<u>49,383</u>	<u>110,358</u>
<u>133,515</u>	<u>1,427,411</u>
119,662	1,672,330
<u>86,144</u>	<u>7,770,144</u>
<u>\$205,806</u>	<u>\$9,442,474</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Self-Funded Vision</u>	<u>Benefit Prefunding</u>	<u>Fleet and Equipment Management</u>
OPERATING REVENUES					
Interdepartmental charges for services	\$357,044	\$591,947	\$11,730	\$1,497,301	\$4,478,378
Total Operating Revenues	<u>357,044</u>	<u>591,947</u>	<u>11,730</u>	<u>1,497,301</u>	<u>4,478,378</u>
OPERATING EXPENSES					
Insurance premiums	569,558	278,514			
Professional and legal	3,691	265,326	3,431	62,800	1,024,840
Operating costs					1,561,391
Pension and other post employment benefits				1,789,162	
Insurance claims, net of change in claims payable	20,104	78,674	12,288		
Depreciation					692,312
Total Operating Expenses	<u>593,353</u>	<u>622,514</u>	<u>15,719</u>	<u>1,851,962</u>	<u>3,278,543</u>
Operating Income (Loss)	<u>(236,309)</u>	<u>(30,567)</u>	<u>(3,989)</u>	<u>(354,661)</u>	<u>1,199,835</u>
NONOPERATING REVENUES (EXPENSES)					
Use of money and property	18,024	27,995	68	22,805	36,854
Miscellaneous	190,231	158,329			2,968
Total Nonoperating Revenues (Expenses)	<u>208,255</u>	<u>186,324</u>	<u>68</u>	<u>22,805</u>	<u>39,822</u>
Change in Net Position	(28,054)	155,757	(3,921)	(331,856)	1,239,657
BEGINNING NET POSITION	<u>829,312</u>	<u>2,585,585</u>	<u>3,921</u>	<u>1,883,883</u>	<u>2,902,384</u>
ENDING NET POSITION	<u>\$801,258</u>	<u>\$2,741,342</u>	<u></u>	<u>\$1,552,027</u>	<u>\$4,142,041</u>

<u>Facilities Management</u>	<u>Total</u>
<u>\$1,337,220</u>	<u>\$8,273,620</u>
<u>1,337,220</u>	<u>8,273,620</u>
	848,072
259,139	1,619,227
1,543,575	3,104,966
	1,789,162
	111,066
<u>5,101</u>	<u>697,413</u>
<u>1,807,815</u>	<u>8,169,906</u>
<u>(470,595)</u>	<u>103,714</u>
	848,072
311,737	417,483
	<u>351,528</u>
<u>311,737</u>	<u>769,011</u>
(158,858)	872,725
<u>364,664</u>	<u>8,569,749</u>
<u>\$205,806</u>	<u>\$9,442,474</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Prefunding	Fleet and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds	\$547,275	\$607,895	\$11,730	\$1,497,301	\$4,481,909
Payments to vendors	(573,249)	(556,841)	(3,431)	(62,800)	(1,432,517)
Payment to or on behalf of employees				(1,826,612)	(1,184,666)
Claims paid	<u>(32,837)</u>	<u>(748)</u>	<u>(16,120)</u>		
Cash Flows from Operating Activities	<u>(58,811)</u>	<u>50,306</u>	<u>(7,821)</u>	<u>(392,111)</u>	<u>1,864,726</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets					<u>(1,114,289)</u>
Cash Flows from Capital and Related Financing Activities					<u>(1,114,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	<u>18,024</u>	<u>27,995</u>	<u>68</u>	<u>22,805</u>	<u>36,854</u>
Cash Flows from Investing Activities	<u>18,024</u>	<u>27,995</u>	<u>68</u>	<u>22,805</u>	<u>36,854</u>
Net Cash Flows	(40,787)	78,301	(7,753)	(369,306)	787,291
Cash and investments at beginning of period	<u>1,448,830</u>	<u>1,376,254</u>	<u>19,060</u>	<u>1,921,333</u>	<u>2,063,097</u>
Cash and investments at end of period	<u><u>\$1,408,043</u></u>	<u><u>\$1,454,555</u></u>	<u><u>\$11,307</u></u>	<u><u>\$1,552,027</u></u>	<u><u>\$2,850,388</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	(\$236,309)	(\$30,567)	(\$3,989)	(\$354,661)	\$1,199,835
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation					692,312
Miscellaneous revenues	190,231	158,329			2,968
Change in assets and liabilities:					
Accounts receivables		(142,381)			563
Prepays and other net assets					3,062
Accounts payable		(13,001)	(3,832)	(37,450)	(27,613)
Claims payable	(12,733)	77,926			
Compensated absences					<u>(6,401)</u>
Cash Flows from Operating Activities	<u><u>(\$58,811)</u></u>	<u><u>\$50,306</u></u>	<u><u>(\$7,821)</u></u>	<u><u>(\$392,111)</u></u>	<u><u>\$1,864,726</u></u>

Facilities Management	Total
\$1,337,220	\$8,483,330
(1,113,664)	(3,742,502)
(676,208)	(3,687,486)
	(49,705)
<u>(452,652)</u>	<u>1,003,637</u>
<u>(58,375)</u>	<u>(1,172,664)</u>
<u>(58,375)</u>	<u>(1,172,664)</u>
<u>311,737</u>	<u>417,483</u>
<u>311,737</u>	<u>417,483</u>
(199,290)	248,456
<u>418,949</u>	<u>7,247,523</u>
<u>\$219,659</u>	<u>\$7,495,979</u>
(\$470,595)	\$103,714
5,101	697,413
	351,528
	(141,818)
	3,062
7,163	(74,733)
	65,193
<u>5,679</u>	<u>(722)</u>
<u>(\$452,652)</u>	<u>\$1,003,637</u>

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AGENCY FUNDS

Agency Funds are presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Section 125 Benefits Plan – To account for employee tax-free contributions and reinvestments for certain employee benefits established by the City and District under Section 125 of the Internal Revenue Code.

Library Community Facilities District – To account for payment of interest and principal on debt service of the District for the construction, maintenance and operations of the Library.

Net Six Joint Powers Authority – To account for the activities of the Net Six Joint Powers Authority, which maintains a consolidated fire and emergency dispatch system for its members in San Mateo County. The fund was closed on June 30, 2019 and the balances transferred to City of Redwood City during fiscal year 2020.

CITY OF BELMONT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Section 125 Benefit Plan</u>				
Assets:				
Cash and investments	\$20,472	\$91,715	\$87,576	\$24,611
Total Assets	<u>\$20,472</u>	<u>\$91,715</u>	<u>\$87,576</u>	<u>\$24,611</u>
Liabilities:				
Section 125 employee benefits payable	\$20,472	\$91,715	\$87,576	\$24,611
Total Liabilities	<u>\$20,472</u>	<u>\$91,715</u>	<u>\$87,576</u>	<u>\$24,611</u>
<u>Library Community Facilities District</u>				
Assets:				
Cash and investments	\$245,486	\$649,170	\$661,018	\$233,638
Due from other governmental agencies		28,887		28,887
Total Assets	<u>\$245,486</u>	<u>\$678,057</u>	<u>\$661,018</u>	<u>\$262,525</u>
Liabilities:				
Due to bondholders	\$245,486	\$678,057	\$661,018	\$262,525
Total Liabilities	<u>\$245,486</u>	<u>\$678,057</u>	<u>\$661,018</u>	<u>\$262,525</u>
<u>Net Six</u>				
Assets:				
Cash and investments	\$273,321	\$64,555	\$337,876	
Accounts Receivable	64,555		64,555	
Total Assets	<u>\$337,876</u>	<u>\$64,555</u>	<u>\$402,431</u>	
Liabilities:				
Due to other governments	\$337,876	\$64,555	\$402,431	
Total Liabilities	<u>\$337,876</u>	<u>\$64,555</u>	<u>\$402,431</u>	
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$539,279	\$805,440	\$1,086,470	\$258,249
Accounts Receivable	64,555		64,555	
Due from other governmental agencies		28,887		28,887
Total Assets	<u>\$603,834</u>	<u>\$834,327</u>	<u>\$1,151,025</u>	<u>\$287,136</u>
Liabilities:				
Section 125 employee benefits payable	\$20,472	\$91,715	\$87,576	\$24,611
Due to other governments	337,876	64,555	402,431	
Due to bondholders	245,486	678,057	661,018	262,525
Total Liabilities	<u>\$603,834</u>	<u>\$834,327</u>	<u>\$1,151,025</u>	<u>\$287,136</u>

STATISTICAL SECTION



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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:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

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:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage:
 - a. 2016 Sewer Revenue and Sewer Refunding Revenue Bonds – Last Ten Fiscal Years
 - b. 2009A and 2018 Sewer Treatment Facility Revenue Bonds
 - c. Former Redevelopment Agency Bonds
5. Continuing Disclosure Requirements:
 - a. Sewer System Summary Statement of Historical Revenue and Expenditures
 - b. Ten Largest Users of the Sewer System
 - c. Number of Sewer Service Users
 - d. Sewer Service Revenues by Class of User
 - e. Schedule of Budgeted and Projected Sewer Treatment Facility Charges and Associated Debt Service
 - f. Community Facilities District No. 2000-1

STATISTICAL SECTION (Continued)
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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:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

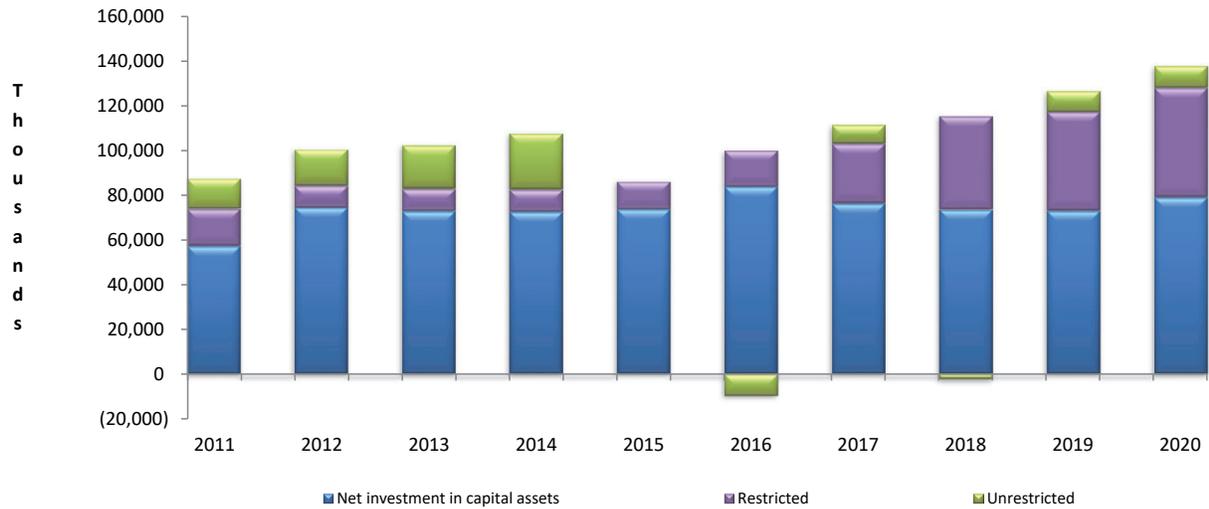
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

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

**CITY OF BELMONT
NET POSITION BY COMPONENT**

**Last Ten Fiscal Years
(accrual basis of accounting)**



	As of June 30,				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$51,099,928	\$68,597,826	\$67,417,898	\$66,107,787	\$65,328,759
Restricted	16,586,360	6,464,610	6,722,358	6,664,041	6,904,176
Unrestricted	6,901,035	10,854,350	11,312,129	13,628,786	(8,619,488) (a)
Total governmental activities	\$74,587,323	\$85,916,786	\$85,452,385	\$86,400,614	\$63,613,447
Business-type activities					
Net investment in capital assets	\$6,162,922	\$5,985,860	\$5,418,984	\$6,447,043	\$8,424,614
Restricted		3,061,696	3,108,105	3,108,838	5,383,408
Unrestricted	6,641,129	5,460,139	8,317,276	11,627,962	8,634,126 (a)
Total business-type activities	\$12,804,051	\$14,507,695	\$16,844,365	\$21,183,843	\$22,442,148
Primary government					
Net investment in capital assets	\$57,262,850	\$74,583,686	\$72,836,882	\$72,554,830	\$73,753,373
Restricted	16,586,360	9,526,306	9,830,463	9,772,879	12,287,584
Unrestricted	13,542,164	16,314,489	19,629,405	25,256,748	14,638 (a)
Total primary government	\$87,391,374	\$100,424,481	\$102,296,750	\$107,584,457	\$86,055,595
	As of June 30,				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$67,139,553	\$69,831,130	\$67,969,307	\$69,521,925	\$74,539,932
Restricted	6,904,177	11,714,283	24,061,436	24,039,737	26,494,396
Unrestricted	(9,680,086)	(188,113)	(12,213,657) (b)	(4,098,068)	(6,415,098)
Total governmental activities	\$64,363,644	\$81,357,300	\$79,817,086	\$89,463,594	\$94,619,230
Business-type activities					
Net investment in capital assets	\$16,739,430	\$6,439,038	\$5,536,183	\$3,453,035	\$4,445,755
Restricted	9,143,559	14,957,819	17,728,929	20,219,035	22,464,351
Unrestricted		8,602,110	9,913,265 (b)	13,315,730	16,112,774
Total business-type activities	\$25,882,989	\$29,998,967	\$33,178,377	\$36,987,800	\$43,022,880
Primary government					
Net investment in capital assets	\$83,878,983	\$76,270,168	\$73,505,490	\$72,974,960	\$78,985,687
Restricted	16,047,736	26,672,102	41,790,365	44,258,772	48,958,747
Unrestricted	(9,680,086)	8,413,997	(2,300,392) (b)	9,217,662	9,697,676
Total primary government	\$90,246,633	\$111,356,267	\$112,995,463	\$126,451,394	\$137,642,110

(a) Fiscal year 2015 was the first year of implementation for GASB 68.
(b) Fiscal year 2018 was the first year of implementation for GASB 75.

**CITY OF BELMONT
CHANGES IN NET POSITION**

**Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General government	\$4,662,965	\$5,112,255	\$5,353,940	\$5,592,651
Public safety	15,258,130	17,461,677	18,000,012	19,429,456
Highways and streets	2,325,028	2,899,431	3,242,496	3,412,713
Culture and recreation	5,149,269	4,200,332	4,275,013	4,530,410
Urban redevelopment	10,358,587	5,014,387	1,885,099	2,295,295
Interest on long term debt	1,110,538	1,131,762	68,175	37,019
Total Governmental Activities Expenses	<u>38,864,517</u>	<u>35,819,844</u>	<u>32,824,735</u>	<u>35,297,544</u>
Business-Type Activities:				
Sewer Collection	5,723,184	6,141,073	6,715,514	6,657,220
Sewer Treatment				
Storm drainage	1,245,911	1,171,429	1,338,902	1,236,911
Solid waste	590,927	308,251	469,298	459,967
Total Business-Type Activities Expenses	<u>7,560,022</u>	<u>7,620,753</u>	<u>8,523,714</u>	<u>8,354,098</u>
Total Primary Government Expenses	<u>\$46,424,539</u>	<u>\$43,440,597</u>	<u>\$41,348,449</u>	<u>\$43,651,642</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$3,983,732	\$4,538,452	\$4,463,544	\$4,601,332
Public Safety	336,174	988,002	1,152,475	1,177,218
Highways and streets	878,107	437,020	382,904	459,815
Culture and recreation	1,977,149	1,967,792	2,087,336	2,130,365
Urban redevelopment	2,126,626	2,434,761	2,560,400	3,069,625
Operating Grants and Contributions	4,668,438	2,422,365	1,636,424	1,817,345
Capital Grants and Contributions	5,522,520	1,853,706	874,168	519,254
Total Government Activities				
Program Revenues	<u>19,492,746</u>	<u>14,642,098</u>	<u>13,157,251</u>	<u>13,774,954</u>
Business-Type Activities:				
Charges for Services:				
Sewer Collection	6,600,870	9,422,274	10,086,878	11,290,621
Sewer Treatment				
Storm drainage	597,464	611,941	549,863	520,119
Solid Waste	476,073	710,295	781,612	867,710
Operating Grants and Contributions	10,750			
Capital Grants and Contributions				
Total Business-Type Activities				
Program Revenue	<u>7,685,157</u>	<u>10,744,510</u>	<u>11,418,353</u>	<u>12,678,450</u>
Total Primary Government Program Revenues	<u>\$27,177,903</u>	<u>\$25,386,608</u>	<u>\$24,575,604</u>	<u>\$26,453,404</u>
Net (Expense)/Revenue				
Governmental Activities	(\$19,371,771)	(\$21,177,746)	(\$19,371,771)	(\$21,522,590)
Business-Type Activities	125,135	3,123,757	64,404	4,324,352
Total Primary Government Net Expense	<u>(\$19,246,636)</u>	<u>(\$18,053,989)</u>	<u>(\$19,307,367)</u>	<u>(\$17,198,238)</u>

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$5,244,211	\$5,439,850	\$5,671,719	\$6,598,992	\$5,621,928	\$8,461,468
19,218,589	19,906,577	21,282,999	23,461,443	21,608,132	24,687,962
3,340,232	2,998,364	2,785,012	3,182,025	2,845,390	2,768,906
5,018,290	4,729,514	4,759,282	5,344,942	5,754,393	6,727,967
2,268,840	3,436,088	3,223,265	3,447,979	3,274,118	4,504,187
24,850	16,708	5,592	3,169	644	41,615
<u>35,115,012</u>	<u>36,527,101</u>	<u>37,727,869</u>	<u>42,038,550</u>	<u>39,104,605</u>	<u>47,192,105</u>
7,654,335	8,251,781	8,251,781	9,087,660	11,292,920	10,066,509
	403,386	403,386	517,015	1,121,846	1,376,670
1,446,650	1,603,968	1,603,968	1,566,875	1,893,199	2,119,817
223,392	283,045	283,045	338,756	284,968	343,075
<u>9,324,377</u>	<u>10,542,180</u>	<u>10,542,180</u>	<u>11,510,306</u>	<u>14,592,933</u>	<u>13,906,071</u>
<u>\$44,439,389</u>	<u>\$47,069,281</u>	<u>\$48,270,049</u>	<u>\$53,548,856</u>	<u>\$53,697,538</u>	<u>\$61,098,176</u>
\$4,937,130	\$5,780,785	\$8,184,093	\$6,868,959	\$6,142,052	\$6,577,974
1,143,332	998,958	1,113,555	1,425,037	1,250,205	404,688
473,341	464,902	498,637	490,979	504,891	808,673
2,729,732	2,629,840	5,997,226	3,250,607	3,589,282	2,948,206
3,627,765	3,860,509	4,701,066	3,692,543	4,104,255	4,212,747
2,042,316	1,861,488	1,767,235	2,175,529	2,196,042	3,511,589
411,980	2,746,475	596,190	1,262,562	107,597	944,285
<u>15,365,596</u>	<u>18,342,957</u>	<u>22,858,002</u>	<u>19,166,216</u>	<u>17,894,324</u>	<u>19,408,162</u>
11,905,392	9,623,230	10,974,015	10,451,746	11,131,538	12,711,450
	3,124,223	3,087,872	3,225,639	3,178,480	3,196,757
943,554	903,147	875,926	886,380	922,892	969,136
458,337	443,408	429,212	428,446	457,015	482,843
		37,862	23,408	15,650	98,099
				1,708,952	
<u>13,307,283</u>	<u>14,094,008</u>	<u>15,404,887</u>	<u>15,015,619</u>	<u>17,414,527</u>	<u>17,458,285</u>
<u>\$28,672,879</u>	<u>\$32,436,965</u>	<u>\$38,262,889</u>	<u>\$34,181,835</u>	<u>\$35,308,851</u>	<u>\$36,866,447</u>
(\$19,749,416)	(\$18,184,144)	(\$14,869,867)	(\$22,872,334)	(\$21,210,281)	(\$27,783,943)
3,982,906	2,018,171	4,862,707	3,505,313	2,821,594	3,552,214
<u>(\$15,766,510)</u>	<u>(\$16,165,973)</u>	<u>(\$10,007,160)</u>	<u>(\$19,367,021)</u>	<u>(\$18,388,687)</u>	<u>(\$24,231,729)</u>

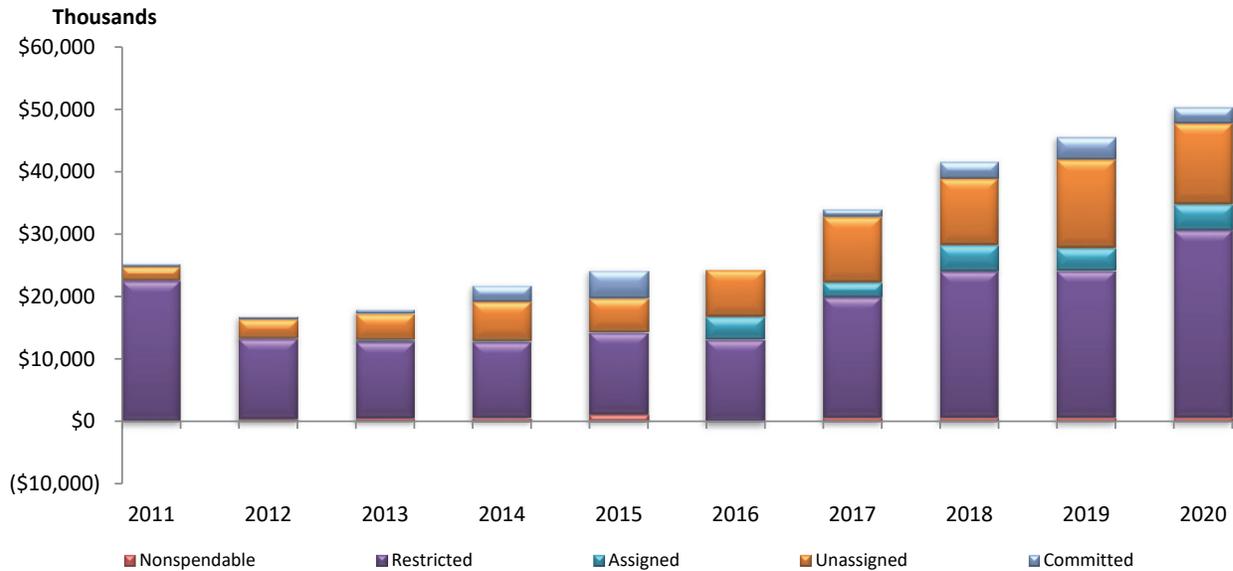
CITY OF BELMONT
CHANGES IN NET POSITION
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$9,620,923	\$10,439,407	\$10,918,478	\$11,864,792
Incremental property tax	8,601,933	4,681,674		
Sales taxes	2,596,652	2,672,956	2,792,298	2,831,248
Other taxes	2,481,620	2,738,707	3,017,599	3,260,000
Motor vehicle in lieu	2,050,697	1,973,958	1,941,735	2,168,184
Investment earnings and rentals	601,845	589,231	531,126	603,489
Miscellaneous/Gain on sale	542,580	105	1,847	1,743,106
Loss on disposal of capital assets				
Equity in gains/(losses) of joint ventures				
Transfers				
Extraordinary items		9,338,566		
Total Government Activities	<u>26,496,250</u>	<u>32,434,604</u>	<u>19,203,083</u>	<u>22,470,819</u>
Business-Type Activities:				
Investment earnings	10,694	19,315	9,971	15,126
Miscellaneous				
Transfers			1,216	
Total Business-Type Activities	<u>10,694</u>	<u>19,315</u>	<u>11,187</u>	<u>15,126</u>
Total Primary Government	<u>\$26,506,944</u>	<u>\$32,453,919</u>	<u>\$19,214,270</u>	<u>\$22,485,945</u>
Change in Net Position				
Governmental Activities	\$7,124,479	\$11,256,858	(\$168,688)	\$948,229
Business-Type Activities	135,829	3,143,072	75,591	4,339,478
Total Primary Government	<u>\$7,260,308</u>	<u>\$14,399,930</u>	<u>(\$93,097)</u>	<u>\$5,287,707</u>

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$13,134,287	\$14,132,122	\$15,527,210	\$16,894,686	\$18,038,474	\$19,236,918
3,085,607	3,613,991	3,882,588	5,134,206	5,543,213	5,128,787
3,487,040	3,957,259	3,927,717	4,039,400	4,916,495	5,177,005
2,474,536	2,436,212	2,619,042	2,786,304	2,987,318	3,076,967
590,418	540,269	588,798	981,525	1,713,215	1,680,176
3,803	6,263	3,663	89,454	238,833	7,550
(39,381)				(2,580,759)	
	(437,270)				(1,367,824)
<u>22,736,310</u>	<u>24,248,846</u>	<u>26,549,018</u>	<u>29,925,575</u>	<u>30,856,789</u>	<u>32,939,579</u>
17,275	77,370	104,041	489,367	975,602	1,115,042
	57,142	118	36,854	12,227	
45,769	437,270				1,367,824
<u>63,044</u>	<u>571,782</u>	<u>104,159</u>	<u>526,221</u>	<u>987,829</u>	<u>2,482,866</u>
<u>\$22,799,354</u>	<u>\$24,820,628</u>	<u>\$26,653,177</u>	<u>\$30,451,796</u>	<u>\$31,844,618</u>	<u>\$35,422,445</u>
\$2,986,894	\$6,064,702	\$11,679,151	\$7,053,241	\$9,646,508	\$5,155,636
4,045,950	2,589,953	4,966,866	4,031,534	3,809,423	6,035,080
<u>\$7,032,844</u>	<u>\$8,654,655</u>	<u>\$16,646,017</u>	<u>\$11,084,775</u>	<u>\$13,455,931</u>	<u>\$11,190,716</u>

**CITY OF BELMONT
FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$53,375	\$374,379	\$504,390	\$568,336	\$1,130,963
Restricted		132,495			
Assigned				1,377,103	2,327,624
Unassigned	3,764,669	4,577,830	5,696,079	6,258,460	5,590,065
Total General Fund	\$3,818,044	\$5,084,704	\$6,200,469	\$8,203,899	\$9,048,652
All Other Governmental Funds					
Restricted	\$22,470,226	\$12,670,731	\$12,218,243	\$12,090,398	\$13,099,710
Committed			258,684	\$104,039	\$5,644
Assigned	459,615	506,504	706,293	1,213,342	2,111,573
Unassigned	(1,552,557)	(1,509,215)	(1,550,397)		(146,538)
Total all other governmental funds	\$21,377,284	\$11,668,020	\$11,632,823	\$13,407,779	\$15,070,389
	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable		\$627,500	\$641,355	\$641,115	\$641,273
Committed		251,184	1,879,332	2,903,606	2,101,292
Assigned	\$1,507,974				
Unassigned	7,540,974	10,500,188	10,683,682	14,204,643	12,995,874
Total General Fund	\$9,048,948	\$11,378,872	\$13,204,369	\$17,749,364	\$15,738,439 (a)
All Other Governmental Funds					
Restricted	\$13,099,725	\$19,239,022	\$23,400,819	\$23,504,778	\$30,017,035
Committed	(140,892)	936,200	784,403	658,745	443,069
Assigned	2,111,572	2,289,075	4,116,485	3,602,036	4,070,714
Unassigned					
Total all other governmental funds	\$15,070,405	\$22,464,297	\$28,301,707	\$27,765,559	\$34,530,818 (a)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) Effective fiscal 2010-11, the City implemented GASB 54 which changed fund balance reporting.

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CITY OF BELMONT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

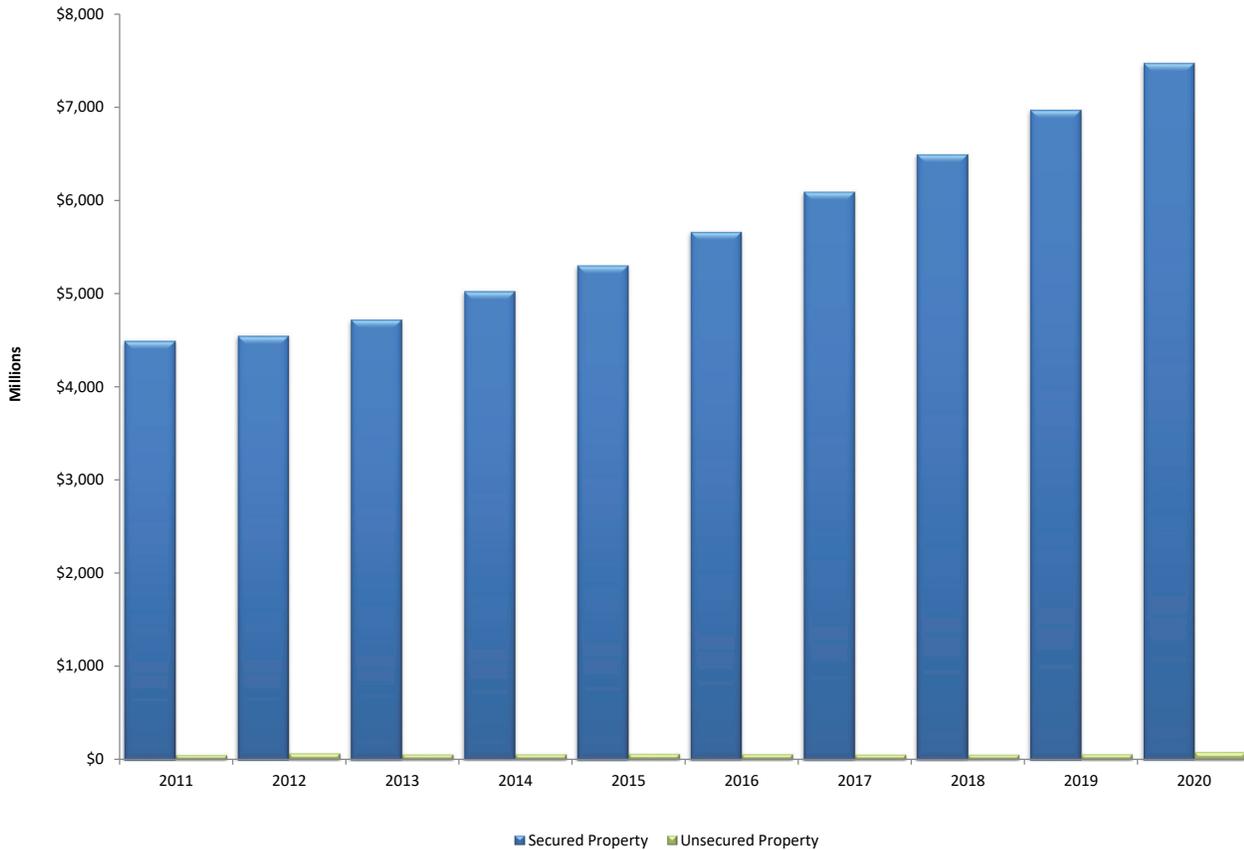
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Revenues				
Taxes	\$24,078,694	\$21,103,658	\$17,464,202	\$18,781,620
Licenses and permits	1,409,968	1,599,765	1,443,249	1,665,790
Fines and forfeitures	397,841	411,116	513,511	298,584
Use of money and property	434,131	439,248	394,871	420,581
Intergovernmental	11,811,178	6,426,997	4,569,617	4,594,173
Charges for current services	6,773,004	6,621,335	6,780,019	7,466,219
Miscellaneous	151,098	685,537	788,182	835,735
Total Revenues	45,055,914	37,287,656	31,953,651	34,062,702
Expenditures				
Current:				
General government	3,738,652	3,910,215	4,001,340	3,967,090
Public safety	14,973,374	16,284,197	17,261,172	18,527,071
Highways and streets	1,676,044	1,818,655	2,053,990	1,843,701
Culture and recreation	4,885,875	3,864,383	3,949,834	4,162,256
Urban redevelopment	10,245,438	4,402,467	1,817,983	1,949,465
Capital outlay	9,591,505	3,722,422	1,245,112	1,425,306
Debt service:				
Principal	1,005,000	1,192,547	213,581	97,907
Interest and fiscal charges	1,110,538	1,131,762	68,175	37,019
Total Expenditures	47,226,426	36,326,648	30,611,187	32,009,815
Excess (deficiency) of revenues over (under) expenditures	<u>(2,170,512)</u>	<u>961,008</u>	<u>1,342,464</u>	<u>2,052,887</u>
Other Financing Sources (Uses)				
Transfers in	4,771,786	1,873,574	1,512,645	1,458,800
Transfers (out)	(2,445,664)	(1,926,651)	(1,774,541)	(1,783,301)
Contributions/extraordinary item		(9,025,535)		
Proceeds from sale of capital assets	538,891			2,050,000
Proceeds of debt issuance	532,938			
Total other financing sources (uses)	3,397,951	(9,078,612)	(261,896)	1,725,499
Net Change in fund balances	<u>\$1,227,439</u>	<u>(\$8,117,604)</u>	<u>\$1,080,568</u>	<u>\$3,778,386</u>
Debt service as a percentage of noncapital expenditures	5.4%	7.0%	1.0%	0.4%

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$20,592,362	\$22,462,269	\$24,901,868	\$27,919,446	\$30,101,322	\$32,173,339
1,846,367	2,085,424	2,800,954	2,317,393	2,026,047	2,156,235
210,470	234,582	168,763	216,183	164,265	160,211
585,120	599,818	759,981	1,228,596	1,947,782	2,070,593
5,098,802	5,496,855	4,819,712	4,975,667	5,611,404	6,106,124
8,517,414	8,574,373	14,587,389	9,890,785	10,296,325	10,012,330
868,303	1,387,317	937,673	2,069,817	609,958	236,306
<u>37,718,838</u>	<u>40,840,638</u>	<u>48,976,340</u>	<u>48,617,887</u>	<u>50,757,103</u>	<u>52,915,138</u>
4,219,915	4,300,780	4,955,053	5,151,403	5,563,535	6,251,896
19,146,371	19,872,825	21,056,427	22,788,288	25,312,692	24,684,871
2,195,722	1,814,166	1,909,799	1,935,535	2,115,327	2,312,159
4,817,387	4,525,998	5,038,819	5,274,846	5,766,923	5,897,618
2,522,957	3,442,355	3,495,988	3,358,362	3,362,011	4,400,315
1,736,968	3,390,421	3,828,413	1,382,112	5,316,611	8,912,121
451,490	55,316	57,641	60,064	30,972	292,385
24,850	16,708	5,592	3,169	644	41,615
<u>35,115,660</u>	<u>37,418,569</u>	<u>40,347,732</u>	<u>39,953,779</u>	<u>47,468,715</u>	<u>52,792,980</u>
<u>2,603,178</u>	<u>3,422,069</u>	<u>8,628,608</u>	<u>8,664,108</u>	<u>3,288,388</u>	<u>122,158</u>
2,859,034	1,984,813	1,697,887	5,931,220	2,671,111	4,740,278
(2,954,849)	(4,869,841)	(1,834,158)	(6,932,421)	(1,963,685)	(6,108,102)
	686,750	8,000		13,033	
					6,000,000
<u>(95,815)</u>	<u>(2,198,278)</u>	<u>(128,271)</u>	<u>(1,001,201)</u>	<u>720,459</u>	<u>4,632,176</u>
<u>\$2,507,363</u>	<u>\$1,223,791</u>	<u>\$8,500,337</u>	<u>\$7,662,907</u>	<u>\$4,008,847</u>	<u>\$4,754,334</u>
1.4%	1.4%	0.2%	0.2%	0.1%	0.8%

**CITY OF BELMONT
ASSESSED VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years



Fiscal Year Ended June 30	Secured Property (a)		Unsecured Property		Total		Assessed to Estimated Actual Value	Increased From Prior Year	Total Direct Tax Rate (c)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (b)	Estimated Actual Value (b)			
2011	\$4,482,561,741	\$4,482,561,741	\$53,259,529	\$53,259,529	\$4,535,821,270	\$4,535,821,270	100%	1.02%	1%
2012	4,536,659,018	4,536,659,018	72,485,607	72,485,607	4,609,144,625	4,609,144,625	100%	0.24%	1%
2013	4,712,109,574	4,712,109,574	59,006,643	59,006,643	4,771,116,217	4,771,116,217	100%	5.19%	1%
2014	5,013,618,086	5,013,618,086	61,287,931	61,287,931	5,074,906,017	5,074,906,017	100%	6.37%	1%
2015	5,290,249,361	5,209,249,361	65,747,681	65,747,681	5,355,997,042	5,274,997,042	100%	3.94%	1%
2016	5,648,901,772	5,648,901,772	63,091,530	63,091,530	5,711,993,302	5,711,993,302	100%	8.28%	1%
2017	6,077,587,115	6,077,587,115	57,759,601	57,759,601	6,135,346,716	6,135,346,716	100%	7.41%	1%
2018	6,477,809,867	6,477,809,867	56,079,812	56,079,812	6,533,889,679	6,533,889,679	100%	6.50%	1%
2019	6,951,922,956	6,951,922,956	62,126,944	62,126,944	7,014,049,900	7,014,049,900	100%	7.35%	1%
2020	7,453,883,672	7,453,883,672	87,805,614	87,805,614	7,541,689,286	7,541,689,286	100%	7.52%	1%

SOURCES: SAN MATEO COUNTY CONTROLLER

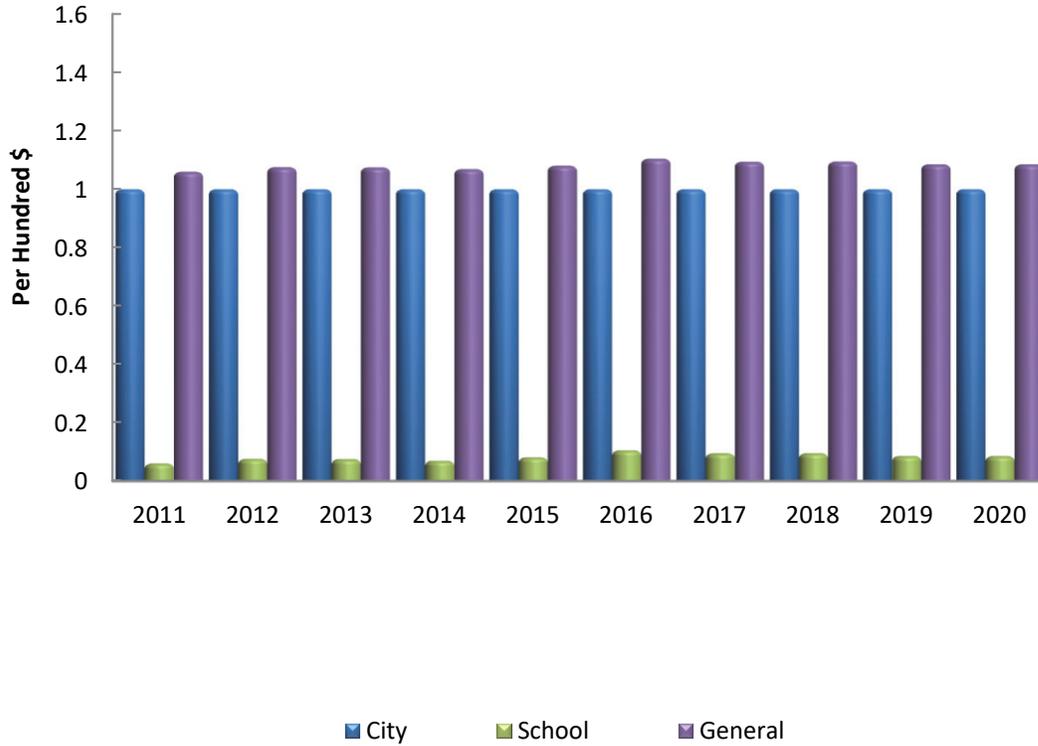
(a) Secured Property includes State Board Roll

(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Belmont encompasses more than 15 tax rate areas.

**CITY OF BELMONT
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years



<u>Fiscal Year</u>	<u>City of Belmont</u>	<u>School Districts</u>	<u>Total</u>
2011	1.0000	0.0596	1.0596
2012	1.0000	0.0754	1.0754
2013	1.0000	0.0747	1.0747
2014	1.0000	0.0690	1.0690
2015	1.0000	0.0805	1.0805
2016	1.0000	0.1046	1.1046
2017	1.0000	0.0944	1.0944
2018	1.0000	0.0948	1.0948
2019	1.0000	0.0854	1.0854
2020	1.0000	0.0852	1.0852

Source: San Mateo County Controller - Rates are per \$100 of assessed value.

**CITY OF BELMONT
PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2019-20			2010-11		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
600 Clipper Operating LLC	\$91,395,861	1	1.23%			
Westlake Gresham Center LLC	63,464,399	2	0.85%			
PMI Belmont II LLC	53,668,265	3	0.72%			
Belmont Hotels LLC	51,111,362	4	0.69%			
Crystal Springs Uplands School	49,474,608	5	0.66%			
Nikon Precision Inc.	42,186,895	6	0.57%			
PMI Belmont Glen LLC	41,081,637	7	0.55%	\$58,515,210	1	1.31%
Davey Glen Belmont LP	38,186,727	8	0.51%			
Notre Dame High School	34,791,890	9	0.47%			
Oracle Corporation	34,772,577	10	0.47%	45,137,099	2	1.01%
Hines VAF II 600 Clipper LP				38,000,000	3	0.85%
Prime Old County LP				28,942,742	4	0.65%
Essex Carlmont Woods Apartment LP				25,899,148	5	0.58%
ECI Two Belmont LLC				23,999,958	3	0.54%
Safeway Inc.				18,432,463	7	0.41%
Paradigm Healthcare LP				15,902,802	8	0.35%
Grand Prix Belmont LLC				15,544,451	9	0.35%
Essex Portfolio LP				15,408,054	10	0.34%
Subtotal	<u>\$500,134,221</u>		<u>6.71%</u>	<u>\$285,781,927</u>		<u>6.38%</u>

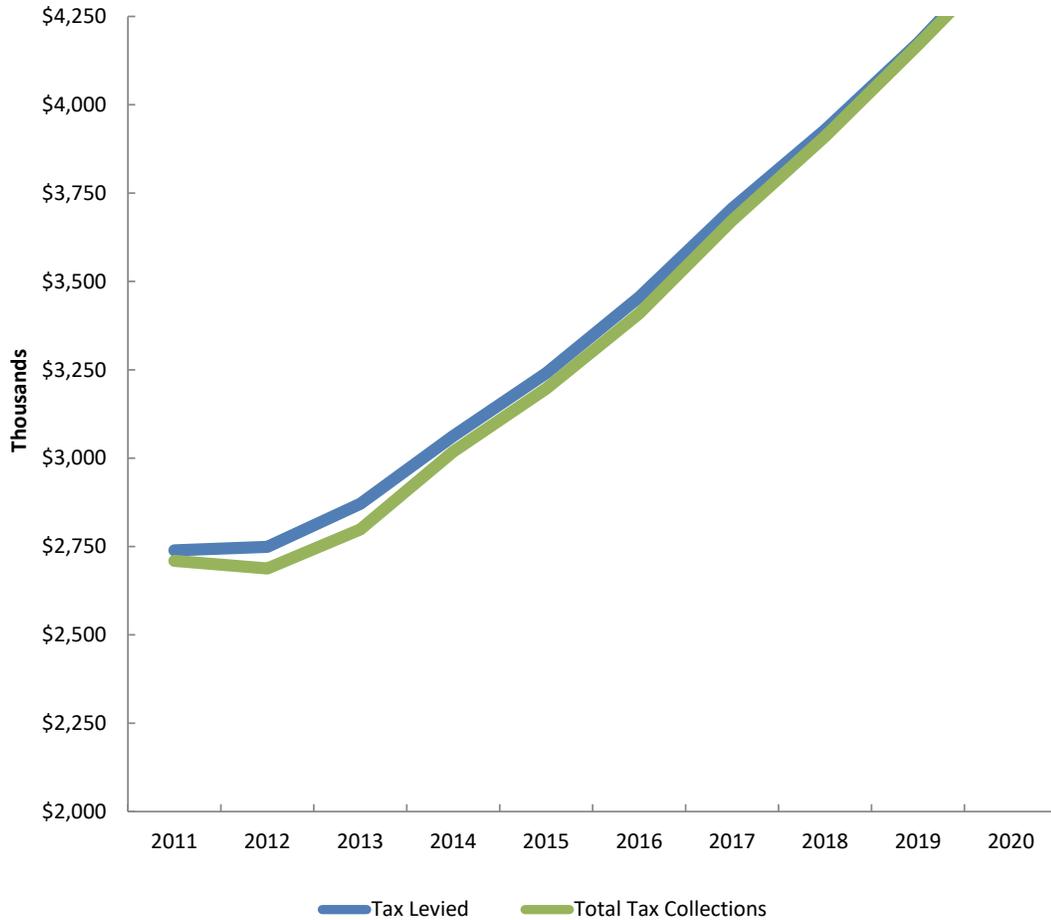
Total Net Assessed Valuation:

Fiscal Year 2019-20	\$7,453,883,672
Fiscal Year 2010-11	\$4,482,561,741

Source: County of San Mateo Assessor's Office Fiscal Year Combined Secured Tax Rolls.

**CITY OF BELMONT
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years



Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2011	\$2,739,073	\$2,709,417	98.92%	\$2,709,417	98.92%
2012	2,748,894	2,687,885	97.78%	2,687,885	97.78%
2013	2,870,820	2,798,324	97.47%	2,798,324	97.47%
2014	3,062,643	3,018,311	98.55%	3,018,311	98.55%
2015	3,240,621	3,196,712	98.65%	3,196,712	98.65%
2016	3,455,413	3,409,309	98.67%	3,409,309	98.67%
2017	3,706,404	3,672,355	99.08%	3,672,355	99.08%
2018	3,928,687	3,909,998	99.52%	3,909,998	99.52%
2019	4,174,608	4,169,363	99.87%	4,169,363	99.87%
2020	4,450,637	4,437,632	99.71%	4,437,632	99.71%

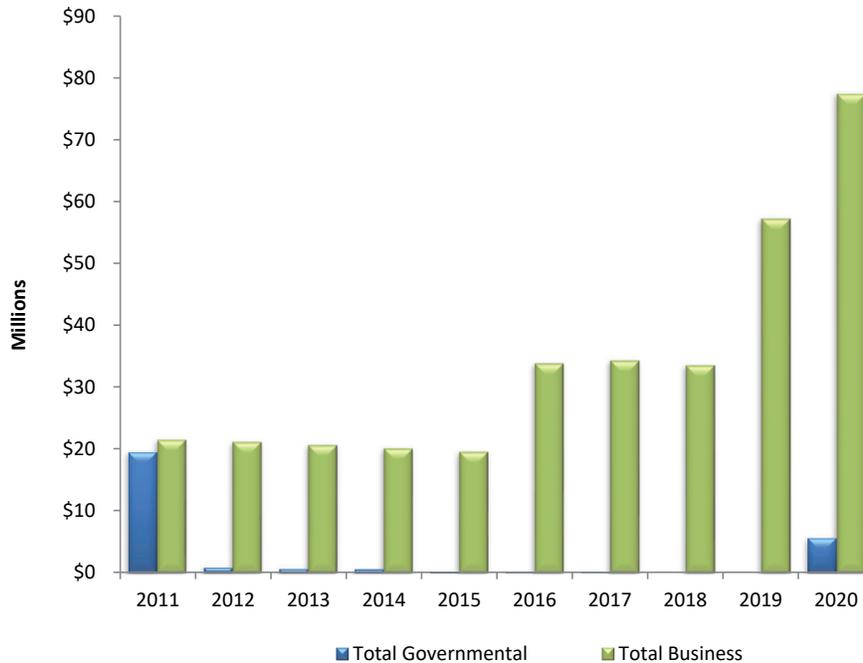
Source: (1) San Mateo County Controller.
(2) City of Belmont General Ledger

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF BELMONT
RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years



Governmental Activities			
Fiscal Year	Tax Allocation Bonds	Leases and Notes	Total
2011	\$18,945,000	\$652,819	\$19,597,819
2012		966,971	966,971
2013		753,390	753,390
2014		655,483	655,483
2015		203,992	203,992
2016		147,677	147,677
2017		91,036	91,036
2018		30,972	30,972
2019		0	0
2020		5,707,615	5,707,615

Business-Type Activities					
Fiscal Year	Sewer Revenue Bonds	Total	Total Primary Government	Percentage of Assessed Valuation (a)	Per Capita (a)
2011	\$21,595,000	\$21,595,000	\$41,192,819	0.91%	\$1,582
2012	21,250,000	21,250,000	22,216,971	0.48%	850.48
2013	20,740,000	20,740,000	21,493,390	0.45%	816.74
2014	20,210,000	20,210,000	20,865,483	0.41%	785.63
2015	19,660,000	19,660,000	19,863,992	0.37%	742.63
2016	33,920,000	33,920,000	34,067,677	0.60%	1,233.98
2017	34,376,186	34,376,186	34,467,222	0.56%	1,260.55
2018	33,615,381	33,615,381	33,646,353	0.51%	1,228.51
2019	57,279,454	57,279,454	57,279,454	0.82%	2,107.88
2020	77,449,650	77,449,650	83,157,265	1.10%	3,101.38

Note : Debt amounts include premiums, discounts, or other amortization amounts.

Sources: City of Belmont
 State of California, Department of Finance (population)
 U.S. Department of commerce, Bureau of the Census (income)

(a) (Demographic Statistics) for assessed value and population data.

**CITY OF BELMONT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

June 30, 2020

2019-20 Assessed Valuation \$7,577,085,486

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt June 30, 2020	% Applicable (1)	City's Share of Debt June 30, 2020
City of Belmont	\$0	100.000%	\$0
Total Direct Debt	\$0		\$0
San Mateo Community College District	\$766,683,503	3.166%	\$24,273,200
Sequoia Union High School District	512,465,000	7.379%	37,814,792
Belmont-Redwood Shores School District	60,077,715	49.412%	29,685,601
Belmont-Redwood Shores School District Belmont School Facilities Improvement District	37,428,890	83.686%	31,322,741
Belmont-Redwood Shores School District Redwood Shores School Facilities Improvement District	20,100,000	7.681%	1,543,881
City of Belmont Community Facilities District No. 2000-1	5,135,000	100.000%	5,135,000
Total Overlapping Debt	1,401,890,108		129,775,215
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$1,401,890,108		\$129,775,215
OVERLAPPING GENERAL FUND DEBT:			
San Mateo County General Fund Obligations	\$515,920,256	3.166%	\$16,334,035
San Mateo County Board of Education Certificates of Participation	7,505,000	3.166%	237,608
TOTAL OVERLAPPING GENERAL FUND DEBT	\$523,425,256		\$16,571,644
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	\$5,675,000	100.000%	\$5,675,000
COMBINED TOTAL DEBT			\$152,021,859 (2)

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the porting 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) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

RATIOS TO 2019-20 ASSESSED VALUATION:

Direct Debt	0.00%
Combined Direct Debt	2.01%
Total Net Direct and Overlapping Tax and Assessment Debt	1.71%

RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION (\$1,549,458,117):

Total Overlapping Tax Incremental Debt	0.37%
--	-------

**CITY OF BELMONT
COMPUTATION OF LEGAL BONDED DEBT MARGIN**

June 30, 2020

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$7,577,085,486
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$284,140,706
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	\$0

Amount of debt subject to limit	\$0
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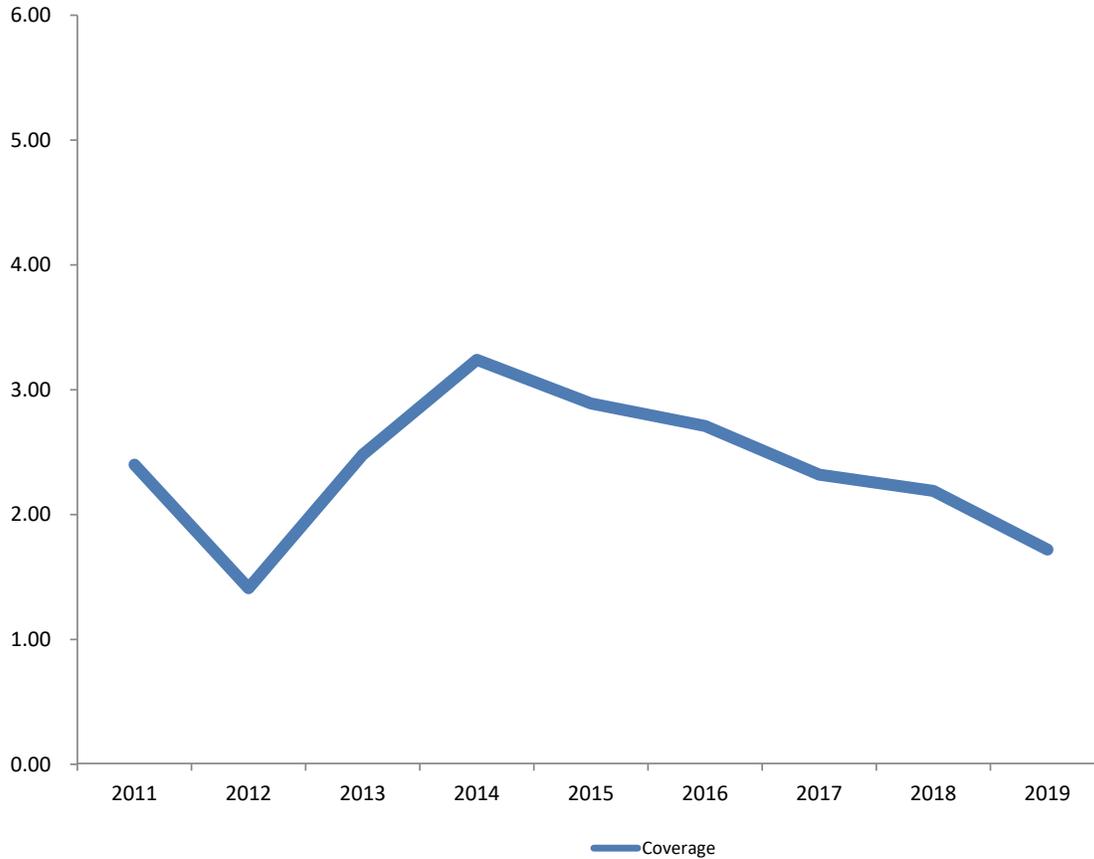
LEGAL BONDED DEBT MARGIN	\$284,140,706
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2011	\$170,093,298		\$170,093,298	
2012	172,842,923		172,842,923	
2013	178,916,858		178,916,858	
2014	190,308,976		190,308,976	
2015	200,849,889		200,849,889	
2016	214,199,749		214,199,749	
2017	230,075,502		230,075,502	
2018	246,378,145		246,378,145	
2019	264,366,934		264,366,934	
2020	284,140,706		284,140,706	

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value. Limits presented from prior years have been adjusted for this methodology.

CITY OF BELMONT
HISTORIC OPERATING RESULTS – DEBT SERVICE AND COVERAGE RATIOS
2016 SEWER REVENUE AND SEWER REFUNDING REVENUE BONDS (2001 AND 2006 SEWER REVENUE BONDS)
AND 2019 SEWER REVENUE BONDS
Last Ten Fiscal Years



Fiscal Year (1)	System Revenues (2)	Operating & Maintenance Expenditures (3)	Net System Revenues	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$6,768,061	\$4,555,159	\$2,212,902	\$325,000	\$597,926	\$922,926	2.40
2012	6,316,841	5,011,347	1,305,494	345,000	583,870	928,870	1.41
2013	6,898,806	4,610,335	2,288,471	355,000	569,185	924,185	2.48
2014	7,867,359	4,876,816	2,990,543	370,000	553,972	923,972	3.24
2015	7,886,591	5,219,101	2,667,490	385,000	537,995	922,995	2.89
2016	9,101,597	6,013,171	3,088,426	405,000	736,145	1,141,145	2.71
2017	9,470,233	6,577,227	2,893,006	485,000	762,279	1,247,279	2.32
2018	10,311,885	7,287,562	3,024,323	505,000	876,271	1,381,271	2.19
2019	10,850,538	8,473,802	2,376,736	520,000	860,896	1,380,896	1.72
2020	12,468,348	6,486,172	5,982,176	540,000	1,113,827	1,653,827	3.62

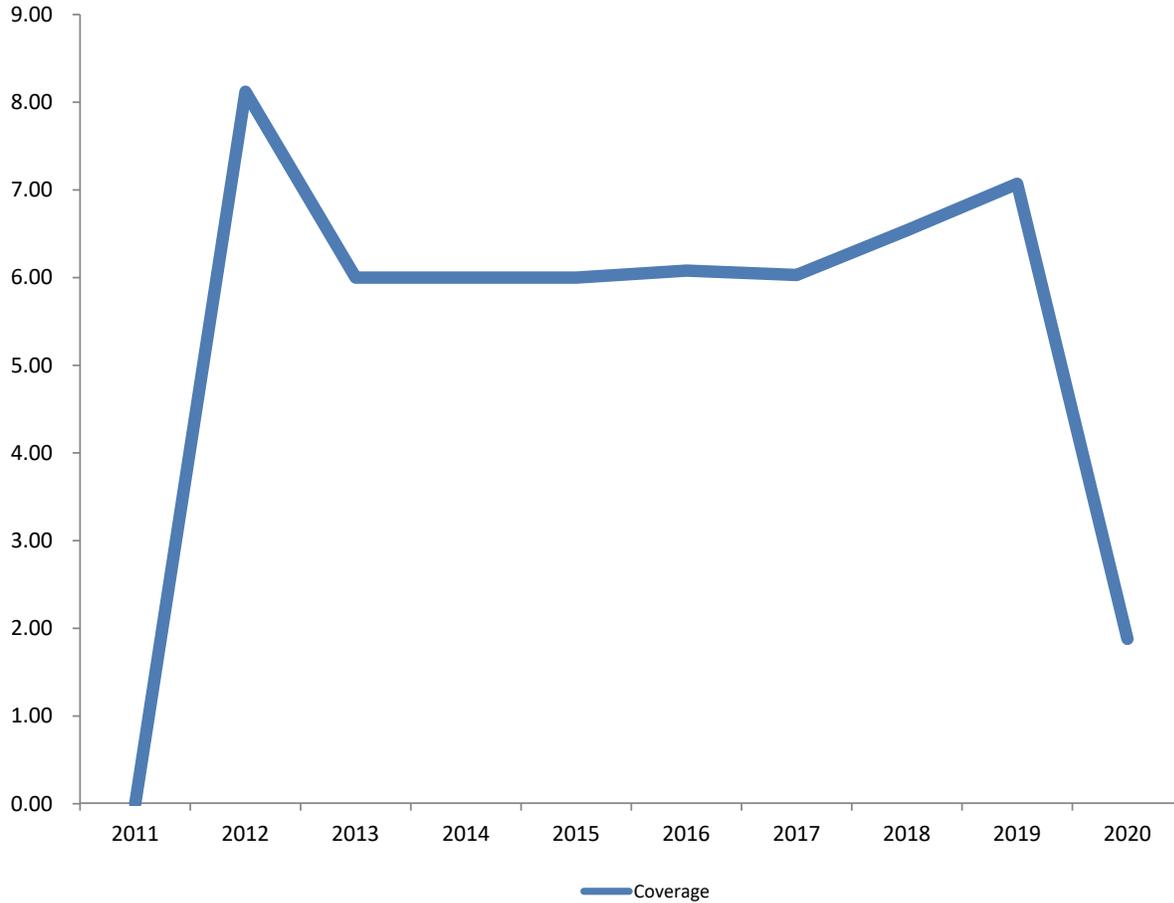
Notes:

- (1) Beginning in 2016, only sewer collection fund activities included.
- (2) Beginning in 2016, includes sewer service charges and all other income, excluding interest earned, income on joint ventures, connection fees and other income pursuant to Installment Purchase Agreement dated March 1, 2016.
- (3) Beginning in 2016, includes reasonable and necessary costs for maintaining and operating sewer system, excluding parity debt, capital improvements, depreciation and other costs pursuant to Installment Purchase Agreement dated March 1, 2016

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
REVENUE BOND COVERAGE
2009A AND 2018 SEWER TREATMENT FACILITY REVENUE BONDS**

Last Ten Fiscal Years



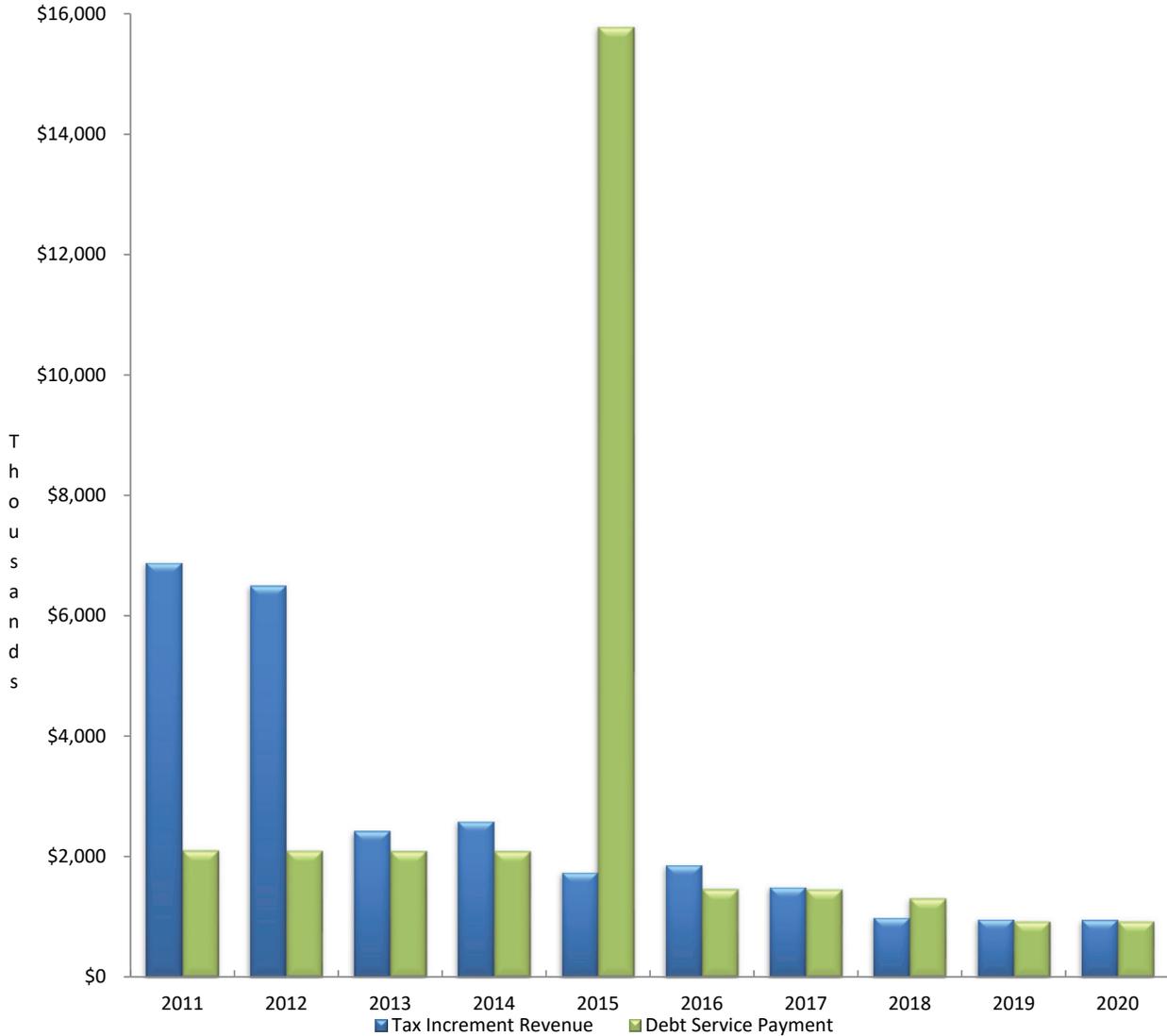
Fiscal Year	Sewer Treatment Facility		Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	Expenses		Principal	Interest	Total	
2011	\$0	\$0	\$0	\$0	\$0	\$0	Nil
2012	3,061,696	201,006	2,860,690	0	352,132	352,132	8.12
2013	3,108,898	78,964	3,029,934	155,000	349,807	504,807	6.00
2014	3,111,925	79,127	3,032,798	160,000	345,082	505,082	6.00
2015	3,113,080	84,082	3,028,998	165,000	340,207	505,207	6.00
2016	3,124,790	83,594	3,041,196	165,000	335,257	500,257	6.08
2017	3,093,423	75,282	3,018,141	170,000	330,232	500,232	6.03
2018	3,288,125	18,489	3,269,636	175,000	325,057	500,057	6.54
2019	3,611,952	77,591	3,534,361	180,000	319,732	499,732	7.07
2020	3,621,986	90,354	3,531,632	385,000	1,497,313	1,882,313	1.88

Notes: Debt service on the 2009 bonds was repayable from bond proceeds until fiscal 2011-12 and has been excluded.
Debt service on the 2018 bonds did not begin until August 2019.

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
 BONDED DEBT PLEDGED REVENUE COVERAGE
 SUCCESSOR AGENCY (INCLUDING FORMER REDEVELOPMENT AGENCY BONDS)**

Last Ten Fiscal Years



Fiscal Year	Tax Revenue (a)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$6,881,547	\$1,005,000	\$1,110,538	\$2,115,538	3.25
2012	6,503,336	1,055,000	1,054,782	2,109,782	3.08
2013	2,430,695	1,110,000	994,608	2,104,608	1.15
2014	2,589,571	1,175,000	929,957	2,104,957	1.23
2015	1,744,119	15,605,000	165,050	15,770,050	0.11 (b)
2016	1,865,275	1,125,000	347,079	1,472,079	1.27
2017	1,498,633	1,160,000	307,056	1,467,056	1.02
2018	992,433	1,050,000	268,552	1,318,552	0.75
2019	966,582	695,000	238,235	933,235	1.04
2020	956,855	720,000	213,518	933,518	1.02

Notes:

- (a) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency had assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.
- (b) Coverage is low due to refunding of debt in fiscal year 2015

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
SEWER SYSTEM
SUMMARY STATEMENT OF HISTORICAL
REVENUE AND EXPENDITURES
Last Ten Fiscal Years**

Notes	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
REVENUES					
Charges for services	\$6,430,195	\$6,153,537	\$6,851,049	\$8,054,697	\$8,413,152
Connection charges (1)					
Miscellaneous revenues (charges)	682	(9,168)	871	500	0
Interest revenue (1)	9,641	17,358	8,605	11,726	12,711
Joint venture interest (1)	157,550	(59,163)	(88,572)	(326,150)	(922,413)
Total Revenues	6,598,068	6,102,564	6,771,953	7,740,773	7,503,450
EXPENSES					
Personnel services	1,119,718	1,208,295	1,105,207	1,137,123	1,181,169
Supplies, materials and services	3,138,386	3,424,741	3,347,179	3,535,644	4,037,932
Sewer treatment services	297,737	168,137	158,820	204,549	0
Interest expense (1)	592,244	577,839	562,980	547,501	530,041
Total Expenses	5,148,085	5,379,012	5,174,186	5,424,817	5,749,142
Net Operating Transfers In (Out) (1),(2)	1,178,759	(1,020,405)	(704,024)	(547,775)	(628,769)
NET REVENUES	\$2,628,742	(\$296,853)	\$893,743	\$1,768,181	\$1,125,539
Less adjustments	\$0	\$0	\$0	\$0	\$0
AMOUNTS AVAILABLE FOR DEBT SERVICE	\$2,628,742	(\$296,853)	\$893,743	\$1,768,181	\$1,125,539

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
REVENUES					
Charges for services	\$9,092,502	\$9,413,671	\$10,311,885	\$10,850,538	\$12,468,348
Connection charges (1)	428,116	1,503,782	60,125	49,272	60,124
Miscellaneous revenues (charges)	9,095	118		1,708,958	0
Interest revenue (1)	75,252	90,353	388,306	481,193	632,309
Joint venture interest (1)	(2,265,589)	(240,494)	(228,686)	(585,866)	(652,586)
Total Revenues	7,339,376	10,767,430	10,531,630	12,504,095	12,508,195
EXPENSES					
Personnel services	1,232,220	1,589,589	2,047,229	1,785,140	1,233,263
Supplies, materials and services	4,780,951	4,987,638	5,240,333	6,688,662	5,252,909
Sewer treatment services					
Interest expense (1)	1,059,926	719,883	771,944	780,887	1,385,791
Total Expenses	7,073,097	7,297,110	8,059,506	9,254,689	7,871,963
Net Operating Transfers In (Out) (1),(2)	(1,285,187)	(824,580)	(1,312,423)	0	(325,000)
NET REVENUES	(\$1,018,908)	\$2,645,740	\$1,159,701	\$3,249,406	\$4,311,232
Less adjustments (1), (2)	\$4,107,334	\$190,822	\$1,864,622	\$836,288	\$1,670,944
AMOUNTS AVAILABLE FOR DEBT SERVICE	\$3,088,426	\$2,836,562	\$3,024,323	\$4,085,694	\$5,982,176

Notes:

- (1) Not included in System Revenues under the Installment Purchase Agreement, beginning March 1, 2016.
(2) Includes transfers for storm drain improvements that mitigate infiltration and intrusion into the sewage system.

Source: City of Belmont

**CITY OF BELMONT
TEN LARGEST USERS OF THE SEWER SYSTEM**

<u>User</u>		<u>Type</u>	<u>Fiscal Year 2019-20 Revenues*</u>
Prime Old County LP	040-271-380	Multifamily Residential	\$227,406
McLellan Estate Co	040-290-310	Multifamily Residential	169,594
PMI Belmont II LLC	045-431-010	Multifamily Residential	165,283
David D. Bohannon Org Et Al	045-371-080	Commercial-Hotel	138,149
McLellan Estate Co	040-246-300	Multifamily Residential	125,662
Timberlane Apartments Partnership LP	045-373-150	Multifamily Residential	101,881
Crestview South Apartments LLC	040-261-370	Multifamily Residential	99,259
Carlmont Village Shopping Center	Various	Shopping Center	82,056
City of Belmont	040-261-060	Public	76,695
Carlmont Heights LLC	045-030-240	Multifamily Residential	64,844

* Includes Base and Flow Charges

Source: City of Belmont

Required per 2016 Sewer Revenue Bonds Continuing Disclosure.

NUMBER OF SEWER SERVICE USERS

<u>User Type</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
All Users	8,254 (2)	8,242	8,243	8,242	8,240
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
All Users	8,239	8,240	8,240	8,248	8,253

(1) Decline due to a change from a flat rate to a metered rate system.

**SEWER SERVICE REVENUES BY CLASS OF USER
June 30, 2020**

<u>User Class</u>	<u>Revenue</u>	<u>Percent</u>
Single Family & Multiple Family Residential	\$10,894,604	87.41%
Commercial/Institutional	1,568,971	12.59%
Total Revenue	<u>\$12,463,575</u>	<u>100.00%</u>

Source: nbsgov.com

**CITY OF BELMONT
SCHEDULE OF BUDGETED & PROJECTED
SEWER TREATMENT FACILITY CHARGES
AND ASSOCIATED DEBT SERVICE**

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20
Sewer Treatment Facility Charges Revenue ^(A)	\$3,124,223	\$3,087,872	\$3,135,638	\$3,178,480	\$3,186,405
Debt Service Series 2009A Bonds	(500,257)	(500,232)	(500,056)	(499,732)	(506,481)
Debt Service Series 2018 Bonds					(1,399,250)
Surplus, after debt service	2,623,966	2,587,640	2,635,582	2,678,748	1,280,674
Debt Service Coverage Ratio	624.524%	617.288%	627.057%	636.037%	167.201%

Fiscal Year	2020-21	2021-22	2022-23	2023-24	2024-25
Sewer Treatment Facility Charges Revenue ^(A)	\$3,181,962	\$3,245,602	\$3,310,514	\$3,376,724	\$3,444,258
Debt Service Series 2009A Bonds	(505,436)	(508,836)	(506,696)	(509,171)	(510,171)
Debt Service Series 2018 Bonds	(1,397,250)	(1,399,500)	(1,400,750)	(1,401,000)	(1,400,250)
Surplus, after debt service	1,279,276	1,337,266	1,403,068	1,466,553	1,533,837
Debt Service Coverage Ratio	167.235%	170.075%	173.557%	176.776%	180.288%

^(A) Not including amounts on deposit in the Rate Stabilization Fund.

If such amounts were added to revenues, debt service coverage would be higher than shown.

Collection of charge began in 2011-12.

Required per 2009 and 2018 Sewer Treatment Facility Revenue Bonds Continuing Disclosure.

Source: nbsgov.com

**COMMUNITY FACILITIES DISTRICT NO. 2000-1 OF THE CITY OF BELMONT
CONTINUING DISCLOSURES**

June 30, 2020

Bond Principal Outstanding - August 30, 2020 \$7,072,750

Balance Outstanding by Fund - August 1, 2020

Reserve Fund (surety bond w/
\$1 Ambac no value)

Maximum Debt Service Coverage

Year Ending August 1,	Net Taxes	Bond Debt Service	Debt Service Coverage
2004	\$855,013.15	\$328,750.00	2.60
2005	840,459.85	650,000.00	1.29
2006	848,544.45	645,000.00	1.32
2007	856,703.50	642,200.00	1.33
2008	864,937.60	640,300.00	1.35
2009	873,247.39	640,400.00	1.36
2010	881,633.49	640,425.00	1.38
2011	890,096.52	639,925.00	1.39
2012	898,637.11	643,900.00	1.40
2013	907,255.90	642,088.00	1.41
2014	915,953.53	644,163.00	1.42
2015	924,730.64	644,788.00	1.43
2016	864,667.73	639,550.00	1.35
2017	870,121.20	643,738.00	1.35
2018	878,822.41	641,775.00	1.37
2019	866,272.46	638,950.00	1.36
2020	860,531.00	640,262.50	1.34
2021	869,137.00	640,425.00	1.36
2022	877,828.00	644,437.50	1.36
2023	886,606.00	642,012.50	1.38
2024	895,472.00	643,437.50	1.39
2025	904,427.00	643,425.00	1.41
2026	913,471.00	641,975.00	1.42
2027	922,606.00	644,087.50	1.43
2028	931,832.00	644,475.00	1.45
2029	941,151.00	643,137.50	1.46
2030	950,562.00	645,075.00	1.47
Total	\$23,990,719.93	\$17,038,702.00	1.41

Special Tax Levy Delinquency Rate - June 30, 2020 1.35% (a)

Status of Foreclosure Actions on Special Tax Levy in Excess of \$10,000 None

Special Tax Delinquency in Excess of 5% of Total Levy

Owner	Land Use	Special Tax	Total Special Tax
None	N/A	N/A	N/A

Changes to Tax Rate and Method of Apportionment None

Supplemental California Debt and Investment Advisory

Commission Reporting

None

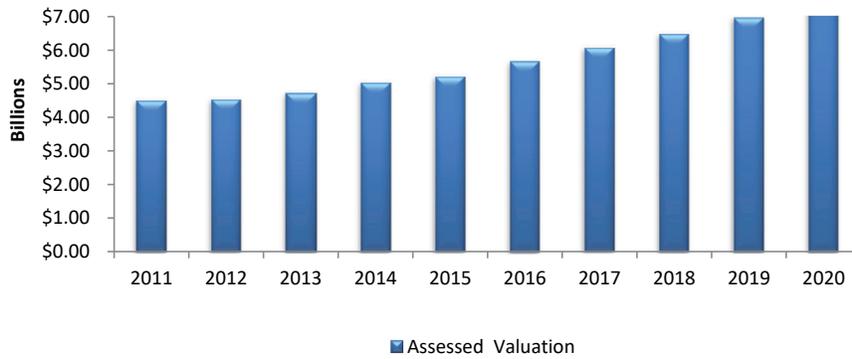
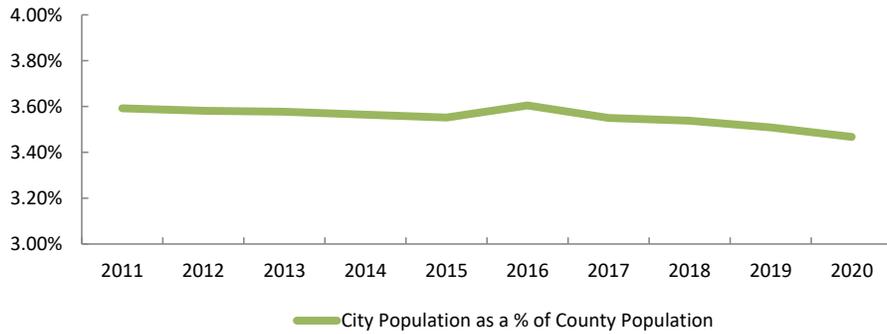
CDIAC

To be filed by October 30

(a) Provided by NBS - Delinquency Summary Report

**CITY OF BELMONT
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years



Fiscal Year	City Population	Assessed Valuation	San Mateo County Population	City Population % of County
2011	26,031	\$4,482,561,741	724,702	3.59%
2012	26,123	4,536,659,018	729,443	3.58%
2013	26,316	4,712,109,574	735,678	3.58%
2014	26,559	5,013,618,086	745,193	3.56%
2015	26,748	5,209,249,361	753,123	3.55%
2016	27,608	5,648,901,772	765,895	3.60%
2017	27,343	6,077,587,115	770,256	3.55%
2018	27,388	6,477,809,867	774,155	3.54%
2019	27,174	6,951,922,956	774,485	3.51%
2020	26,813	7,453,883,672	773,244	3.47%

	<u>2010-2014</u> (a)	<u>2008-2012</u>	<u>2006-2010</u>	<u>2005-2009</u>
Per Capita Income:	\$56,033	\$52,862	\$52,376	\$52,509
Unemployment Rate:				
Male:	8.59%	7.57%	6.16%	4.39%
Female:	5.61%	5.49%	5.57%	4.72%
Total Personal Income:	\$106,287	\$103,083	\$99,913	\$98,598

(a) The most recent information available is from 2014.

Source: California State Department of Finance
County of San Mateo Controller's Office
www.usa.com

**CITY OF BELMONT
PRINCIPAL EMPLOYERS**

Current Year and Ten Years Ago

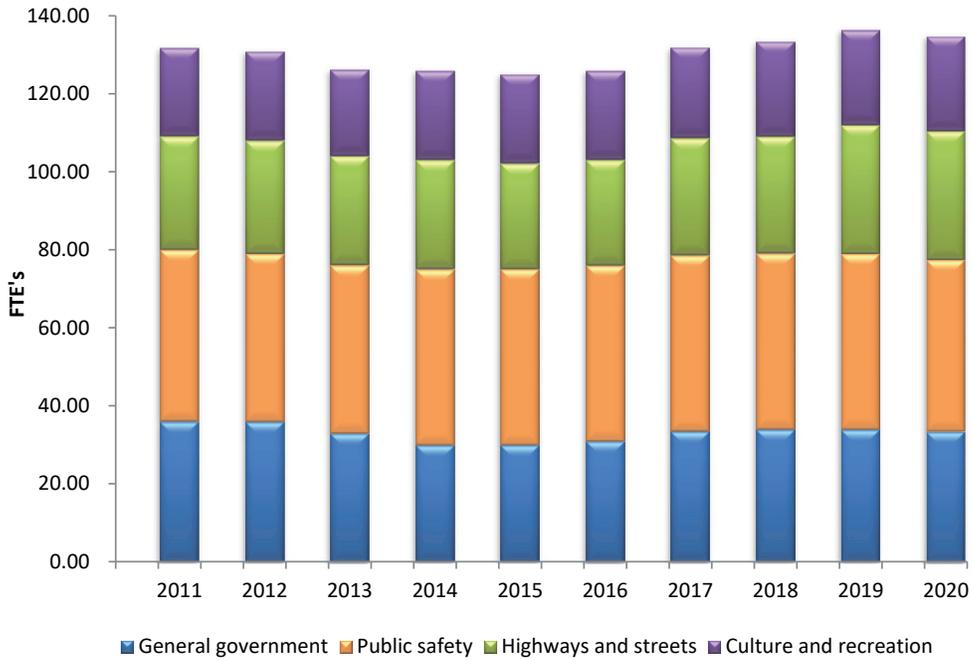
Fiscal 2019-2020		Fiscal 2010-2011	
Employer	Number of Employees	Employer	Range Number of Employees
RING CENTRAL, INC.	515	SAN MATEO COUNTY HUMAN SERVICES	500 to 999
ORACLE AMERICA, INC.	236	YOUTH & FAMILY SERVICES	500 to 999
ROCHE MOLECULAR SYSTEMS, INC.	130	COLLEGE OF NOTRE DAME	250 to 499
SAFEWAY STORE #1138	112	NIKON VENTURES CORP	250 to 499
SILVERADO SENIOR LIVING	111	SAFEWAY	250 to 499
AUTOBAHN MOTORS	110	AUTOBANH MOTORS	100 to 249
VOLKSWAGEN GROUP OF AMERICA ERL	100	BAY AREA SECURITY A	100 to 249
NIKON PRECISION, INC.	94	CARLMONT HIGH SCHOOL	100 to 249
LUNARDI'S MARKET	82	CHILDREN'S PROTECTIVE SERVICES	100 to 249
PLANET GRANITE BEL LLC.	80	HORIZON GROUP	100 to 249

Note: Excludes exempt entities, such as financial institutions, governments and non-profits.
Data not available for ranking or total employment.

Source: City of Belmont Finance, Business License (Hdl Companies)

**CITY OF BELMONT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years



Function	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	36.00	36.00	33.00	30.00	30.00	31.00	33.50	34.00	34.00	33.42
Public safety	44.00	43.00	43.00	45.00	45.00	45.00	45.00	45.00	45.00	44.00
Highways and streets	29.00	29.00	28.00	28.00	27.00	27.00	30.00	30.00	33.00	33.00
Culture and recreation	22.65	22.85	22.10	22.85	22.85	22.85	23.30	24.30	24.30	24.30
Total	131.65	130.85	126.10	125.85	124.85	125.85	131.80	133.30	136.30	134.72

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**CITY OF BELMONT
OPERATING INDICATORS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30			
	2011	2012	2013	2014
Public safety:				
Belmont Fire Department (established October 1, 2011) (2)				
Fire calls for service	N/A	1,734	2,948	2,585
Annual Fire Inspections	N/A	192	302	838
New Business License Inspections	N/A	25	50	55
Plan Checks	N/A	35	27	122
Police:				
Police calls for service	26,568	29,489	28,887	30,087
Law violations:				
Part I crimes	1,215	529	555	495
Physical arrests (adult and juvenile)	539	539	448	575
Traffic violations (1)	5,420	4,697	4,190	1,360
Parking violations	1,908	2,362	2,332	2,732
Public works				
Street resurfacing (miles)	0	0	0	0
Culture and recreation:				
Community Services:				
Recreation class participants	31,580	33,680	35,145	39,605
Sewer				
Sewer Connections	7,648	7,648	7,648	7,653
Average daily treatment (millions of gallons) - City only	1.64	1.64	1.64	1.64
Average daily treatment (millions of gallons) - Total SVCW	15.75	15.75	15.75	15.75
Treatment capacity - SVCW (millions of gallons)	29.00	29.00	29.00	29.00
Storm drain inlets	1,500	1,500	1,500	1,500
Sewer main blockages	2	4	6	3

Source: City of Belmont

Notes:

- (1) The Red Light Camera Enforcement began operations in May 2010 and ceased June 2013.
 - (2) Fire services provided through Belmont-San Carlos Fire Department through September 30, 2011.
 - (3) Inspections in Harbor Industrial Area (HIA) began in fiscal year 2014.
 - (4) Starting in fiscal year 2013, only developed lots are reflected, stand-by parcels have been excluded.
- N/A denotes information not available.

Fiscal Year Ended June 30

2015	2016	2017	2018	2019	2020
2,678	2,225	2,459	2,294	2,354	2,249
125	850	451	647	466	249
45	52	83	53	49	38
133	92	131	183	157	36
30,426	29,981	29,039	26,715	24,947	25,347
340	493	474	498	513	558
546	470	383	336	373	358
1,535	2,177	2,449	2,373	1,644	1,580
3,351	3,078	2,461	2,428	2,350	2,037
0	0	0	0	7	2
39,715	40,150	43,580	44,910	44,947	34,230
7,663	7,671	7,673	7,678	7,682	7,687
1.80	1.80	1.80	1.80	1.80	1.80
15.75	15.75	15.75	15.75	15.75	15.75
29.00	29.00	29.00	29.00	29.00	29.00
1,500	1,500	1,500	1,500	1,500	1,500
6	2	4	2	2	2

**CITY OF BELMONT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2011	2012	2013	2014
Function/Program				
General Government:				
Administration Buildings	2	2	2	2
Public safety:				
Fire stations (1)	2	2	2	2
Police stations	1	1	1	1
Public works				
Miles of streets	70	70	70	70
Street lights	1,087	1,087	1,465	1,465
Traffic Signals	12	12	17	17
Culture and recreation:				
Community services:				
City parks:				
Number of developed parks	14	14	14	14
Acres of developed parks	60.40	60.40	60.40	60.40
Number of undeveloped parks	3	3	3	3
Acres of undeveloped parks	26.16	29.16	29.16	29.16
Acres of open space	295.58	295.58	295.58	287.58
Community Buildings	19	19	19	19
Library:				
City Library (2)	1	1	1	1
Water (Provided by Mid-Peninsula Water District)				
Sewer				
Miles of sanitary sewers	85.00	85.00	85.00	85.00
Storm Drains (miles)	27.00	27.00	27.00	27.00
Number of treatment plants (3)	1	1	1	1

Notes:

(1) Provided through the Belmont-San Carlos Fire Department through September 30, 2011.
Belmont Fire Department established October 1, 2011 provided services through January 12, 2019.
San Mateo Consolidated Fire Department established January 13, 2019.

(2) The Library is property of the City of Belmont and operated by San Mateo County.

(3) Provided through the Silicon Valley Clean Water Authority

N/A denotes information not available.

Source: City of Belmont

Fiscal Year Ended June 30

2015	2016	2017	2018	2019	2020
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
70	70	70	70	70	70
1,465	1,465	1,465	1,465	1,465	1,465
17	17	17	17	18	18
14	14	14	15	15	15
60.40	60.40	60.40	61.40	61.40	61.40
3	3	3	3	2	2
29.16	29.16	29.16	29.16	28.16	28.16
287.58	287.58	287.58	287.58	287.58	287.58
19	19	19	19	19	19
1	1	1	1	1	1
85.00	85.00	85.00	85.00	85.00	85.00
27.00	27.00	27.00	27.00	27.00	27.00
1	1	1	1	1	1

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**SUPPLEMENTAL FINANCIAL INFORMATION
REGARDING SUCCESSOR AGENCY ASSESSED VALUATIONS
(UNAUDITED)**

Assessed Valuations

The base year valuation for the Project Area was established in the fiscal year ending June 30, 1982. The following table shows historical incremental assessed valuation (including all categories of assessed value) within the Project Area as of the March 1 lien date for the fiscal years 1982-83 through 2019-2020. It should be noted that due to adjustments after the lien date, assessed value may increase or decrease during the year. Factors causing these adjustments include, but are not limited to, supplemental assessments and appeals to assessed value. These adjustments to assessed values, in turn, cause tax increment revenues to increase or decrease.

**CITY OF BELMONT SUCCESSOR AGENCY
(FORMERLY BELMONT REDEVELOPMENT AGENCY)
LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA
HISTORICAL INCREMENTAL ASSESSED VALUATION**

Fiscal Year Ending June 30	Total Assessed Valuation	Incremental Assessed Valuation (1)	Change in Incremental Assessed Valuation From Previous Year
1983	\$157,135,342	\$21,536,072	not available
1984	171,237,981	35,638,711	65.48%
1985	184,060,881	62,564,250	75.55%
1986	201,153,514	65,554,244	4.78%
1987	234,842,064	99,242,794	51.39%
1988	246,823,012	111,223,742	12.07%
1989	254,810,733	119,211,463	7.18%
1990	275,154,532	139,555,262	17.07%
1991	313,264,539	177,665,269	27.31%
1992	349,801,313	214,202,043	20.56%
1993	376,194,509	240,595,239	12.32%
1994	389,900,944	254,301,674	5.70%
1995	397,847,297	262,248,027	3.12%
1996	420,827,405	285,228,135	8.76%
1997	441,467,705	305,868,435	7.24%
1998	483,248,340	347,649,070	13.66%
1999	508,606,319	373,007,049	7.29%
2000	551,190,752	415,591,482	11.42%
2001	628,703,301	493,104,031	18.65%
2002	703,196,659	567,597,389	15.11%
2003	736,172,756	600,573,486	5.81%
2004	763,224,908	627,625,638	4.50%
2005	793,262,313	657,663,043	4.79%
2006	828,369,282	692,770,012	5.34%
2007	882,997,061	747,397,791	7.89%
2008	925,665,178	790,065,908	5.71%
2009	1,001,611,395	866,012,125	9.61%
2010	1,021,824,923	886,225,653	2.33%
2011	979,692,227	844,092,957	-4.75%
2012	1,006,362,049	870,762,779	3.16%
2013	1,064,558,175	928,958,905	6.68%
2014	1,096,475,744	960,876,474	3.44%
2015	1,137,357,996	1,001,758,726	4.25%
2016	1,205,793,308	1,070,194,038	6.83%
2017	1,287,183,196	1,151,583,926	7.61%
2018	1,384,289,254	1,248,689,984	8.43%
2019	1,531,108,751	1,395,509,481	11.76%
2020	1,680,464,323	1,544,865,053	10.70%

Source: County of San Mateo

Historical Housing Set-Aside Amounts

The following table shows the historical allocation of tax increment revenues by the County of San Mateo derived from the project area.

CITY OF BELMONT SUCCESSOR AGENCY (FORMERLY BELMONT REDEVELOPMENT AGENCY) LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA HISTORICAL RECEIPT OF TAX INCREMENT AND TRUST FUND REVENUES

Fiscal Year Ending June 30	Secured Tax Increment (2)	Unsecured Tax Increment (2)	Unitary Revenue (3)	Supplemental Allocations (2)	Total Tax Increment (4)	Real Property Tax Trust Fund Allocations (6)	Total Tax	Housing Set Aside Amounts (5)	Change From Prior Year
1984					\$285,494		\$285,494	\$57,099	
1985					363,836		363,836	72,989	27.44%
1986	\$429,246	\$84,594		\$16,681	530,521		530,521	103,097	45.81%
1987	725,932	82,321		58,699	866,952		866,952	168,560	63.42%
1988	787,579	69,137		103,030	959,746		959,746	191,949	10.70%
1989	924,058	73,737		87,124	1,084,919		1,084,919	216,983	13.04%
1990	1,035,629	85,045	\$25,534	57,535	1,203,743		1,203,743	240,749	10.95%
1991	1,260,743	1,225,929	54,683	120,184	2,661,539		2,661,539	311,708	121.11%
1992	1,629,619	81,020	57,216	145,226	1,913,081		1,913,081	382,616	(28.12%)
1993	1,758,187	93,810	58,779	59,494	1,970,270		1,970,270	394,055	2.99%
1994	1,890,260	72,133	51,221	49,533	2,063,147		2,063,147	412,629	4.71%
1995	1,933,676	17,827	54,213	18,928	2,024,644		2,024,644	404,929	(1.87%)
1996	2,019,812	222,873	54,170	29,872	2,326,727		2,326,727	465,346	14.92%
1997	2,227,773	131,833	39,541	105,133	2,504,280		2,504,280	500,856	7.63%
1998	2,520,936	195,020	50,432	106,587	2,872,975		2,872,975	569,942	14.72%
1999	2,832,402	123,236	64,836	49,610	3,070,084		3,070,084	614,016	6.86%
2000	3,076,826	118,983	57,337	183,315	3,436,461		3,436,461	687,292	11.93%
2001	3,640,433	172,658	61,111	103,483	3,977,685		3,977,685	795,537	15.75%
2002	4,212,040	253,052	67,477	455,911	4,988,481		4,988,481	997,696	25.41%
2003	4,415,999	220,998	72,375	300,175	5,009,547		5,009,547	1,001,909	0.42%
2004	4,511,245	177,074	77,251	165,496	4,931,066		4,931,066	986,213	(1.57%)
2005	4,773,499	178,051	64,387	179,086	5,195,023		5,195,023	1,039,005	5.35%
2006	4,985,628	176,562	60,337	247,801	5,470,328		5,470,328	1,094,066	5.30%
2007	5,297,243	163,847	151,994	334,221	5,947,305		5,947,305	1,189,461	8.72%
2008	5,812,332	189,141	69,495	281,093	6,352,061		6,352,061	1,270,412	6.81%
2009	6,343,282	289,016	69,868	273,397	6,975,563		6,975,563	1,395,113	9.82%
2010	6,631,570	205,106	78,094	72,979	6,987,749		6,987,749	1,397,550	0.17%
2011	6,274,474	184,886	68,347	61,692	6,589,398		6,589,398	1,317,880	(5.70%)
2012	3,205,128	372,746	39,886		3,617,760	\$1,821,662	5,439,422		(17.45%)
2013						2,430,695	2,430,695		(55.31%)
2014						2,589,571	2,589,571		6.54%
2015						1,744,119	1,744,119		(32.65%)
2016						1,865,275	1,865,275		6.95%
2017						1,498,633	1,498,633		(19.66%)
2018						992,433	992,433		(33.78%)
2019						966,582	966,582		(2.60%)
2020						956,855	956,855		(1.01%)

(1) Amounts shown are net of amounts waived by the Agency under County Fiscal Agreement.

(2) Breakdown of tax increment amount secured, unsecured and supplemental categories not available for fiscal years ended June 30, 1984 through 1985.

(3) Unitary revenue reported separately starting in the fiscal year ended June 30, 1990.

(4) Total tax increment includes housing set-aside amounts. Under the RDA Dissolution Legislation, the Housing Set Aside was not required in FY 2012 and forward.

(5) This amount calculated as defined in the Fiscal Agreement.

(6) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency has assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

Source: Belmont Successor Agency and County of San Mateo Controller's Office.

Debt Service Coverage

Housing Set-Aside Amounts in fiscal year 2019-2020 were \$0 pursuant to AB x1-26. See the table above entitled "Historical Receipt of Tax Incremental Revenues." Prior to July 1, 2011, tax increment revenues were used to fund debt service on the 1996 Housing Set-Aside Bonds. As a result of the dissolution of the Redevelopment Agency pursuant to state law, a Successor Agency assumed the debt and receives tax revenues used to pay debt service and fund other activities of the former Redevelopment Agency. Debt service repayments on these bonds are made by the Successor Agency from tax revenue.

Major Property Taxpayers

The ten largest assesses in the Project Area for fiscal 2019-2020 and the assessed valuation of their respective properties in the Project Area as reported by the County are provided in the following schedule. The total taxable value of these properties equals \$428,906,746 which represents approximately 26.28% percent of the Project Area's secured taxable valuation (including Unitary Assessed valuation).

**CITY OF BELMONT SUCCESSOR AGENCY
(FORMERLY BELMONT REDEVELOPMENT AGENCY)
LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA
TEN LARGEST SECURED PROPERTY TAX ASSESSES**

Assessee	Use	19 - 20 Taxable Value (2)	Percentage of Total Secured Taxable Value of Project Area (1)
1 600 Clipper Operating LLC	Office	\$ 91,395,861	5.60%
2 Westlake Gresham Center LLC	Office	56,050,489	3.43%
3 Belmont Hotels LLC	Hotel	51,111,362	3.13%
4 Nikon Precision Inc.	Office	42,186,895	2.58%
5 Davey Glen Belmong LP	Residential Mult-Family	38,186,727	2.34%
6 Oracle Corporation	Office	34,772,577	2.13%
7 Prime Old County LP	Residential Mult-Family	33,270,418	2.04%
8 SRE California - 3 LLC	Retail	31,950,497	1.96%
9 875 Woodside LLC	Residential Mult-Family	25,097,568	1.54%
10 Grand Prix Belmont LLC	Hotel	24,884,352	1.52%
Total		<u>\$ 428,906,746</u>	<u>26.28%</u>
Secured taxable value		<u>\$1,632,316,359</u>	

(1) The secured taxable value of the Project Area for fiscal year 2019-2020 is \$1,632,316,359.

Source: City of Belmont and County of San Mateo Assessor's Office.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 8, 2020. Our report includes a reference to other auditors who audited the financial statements of the San Mateo Consolidated Fire Department (SMC Fire) as of and for the year ended June 30, 2019, related to the calculation of the Investment in Joint Venture, as described in our report on the City's financial statements. The financial statements of the SMC Fire were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with SMC Fire.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We have also issued a separate Memorandum on Internal Control dated October 8, 2020, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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



Pleasant Hill, California
October 8, 2020