



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

CITY OF **BELMONT**
CALIFORNIA



MISSION

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



www.belmont.gov

VISION

We are celebrated for enhancing:

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



CITY OF BELMONT, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

Prepared by
FINANCE DEPARTMENT

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Introductory Section



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Message from the Finance Director

October 18, 2021

To the Citizens of the City of Belmont, California:

We are pleased to present the City of Belmont's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

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 Comprehensive Annual Financial Report, along with accompanying basic financial statements.

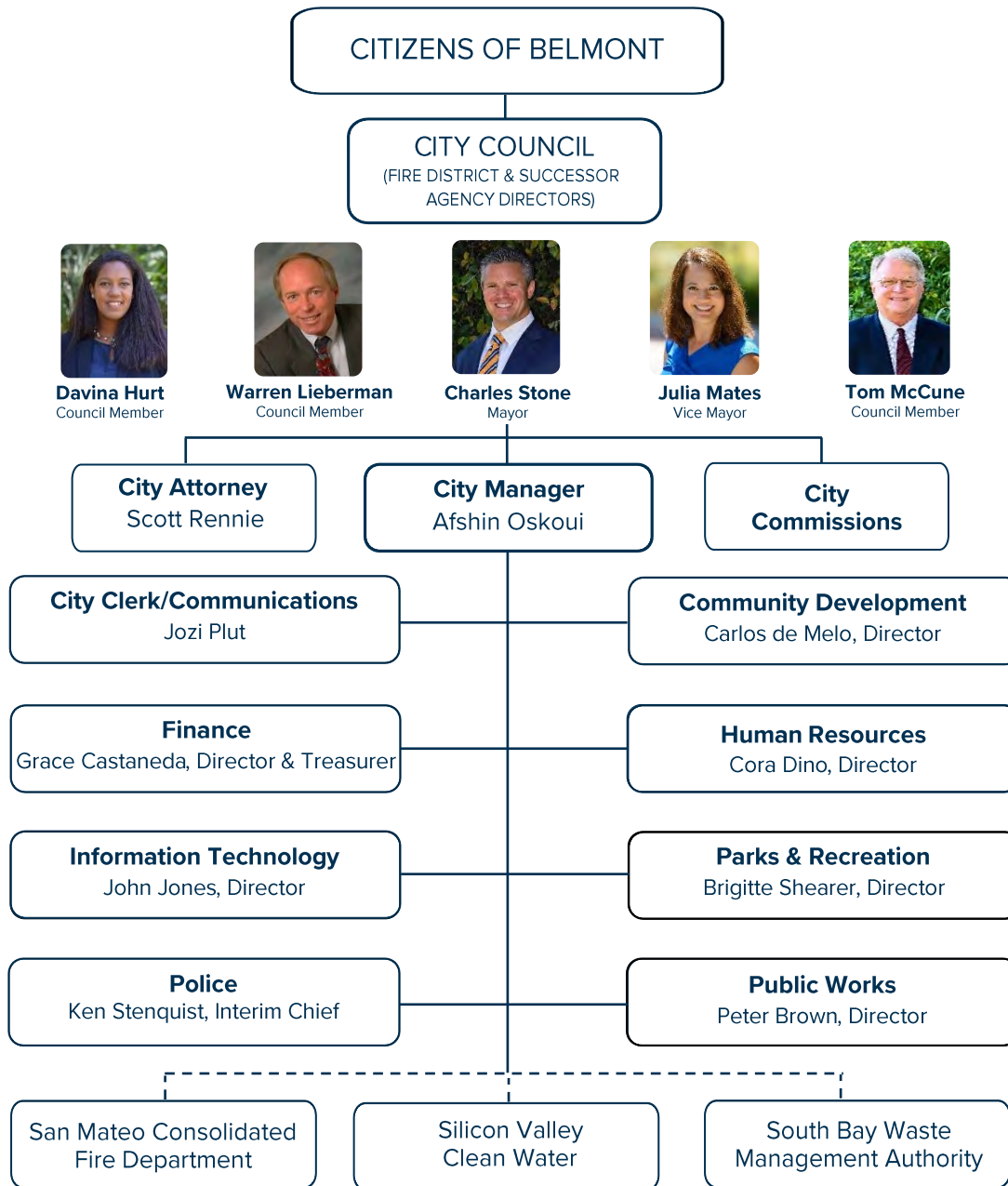
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

Respectfully,



Grace Castaneda
Finance Director

Organizational Chart and Principal Officials



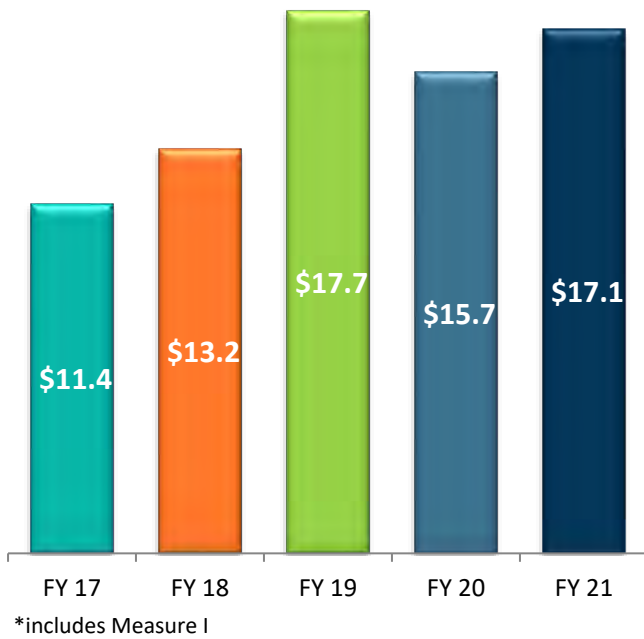
About City of Belmont

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



The City has been impacted by the coronavirus pandemic. Prior year successes in stabilizing operations, a General Fund balance is available to partially mitigate the effects of the pandemic.

FY 2021 revenues decreased to \$27.7 million from \$28.3 million in prior year. Tax revenues were \$18.2 million, including \$2.2 million of Measure I revenue.

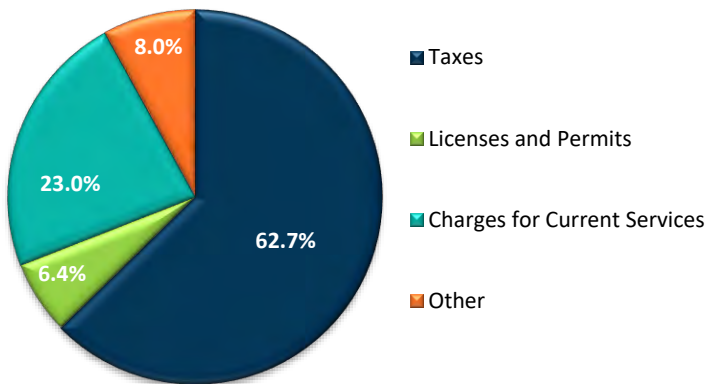
FY 2021 expenditures were managed and below the final budget by \$2.8 million.

Prior to the pandemic, General Fund unassigned fund balance was at the highest level at nearly \$14.2 million (excluding Measure I). Just three months after the shelter-in-place was issued, reserves fell \$1.2 million to \$13.0 million by the end of FY 2020. The fund balance is projected to fall by another \$6.1 million in the next five years, a staggering nearly 50% drop.

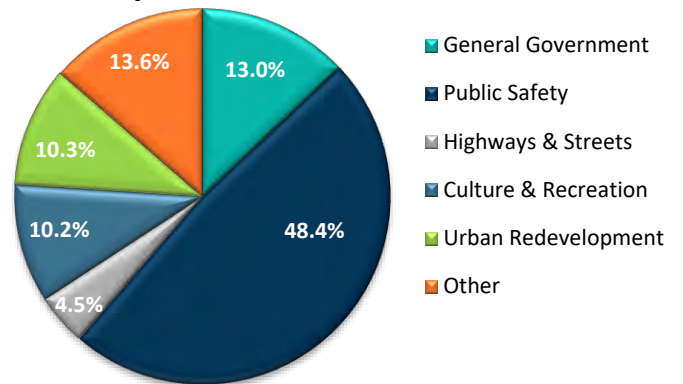
Looking forward, the FY 2022 Budget provides a noteworthy \$22.9 million for capital projects. Moreover, the City Council established a target reserve policy of 33% of total General Fund operations, with a minimum of \$5 million, as prudent.

Governmental Fund Results

Revenues



Expenditures

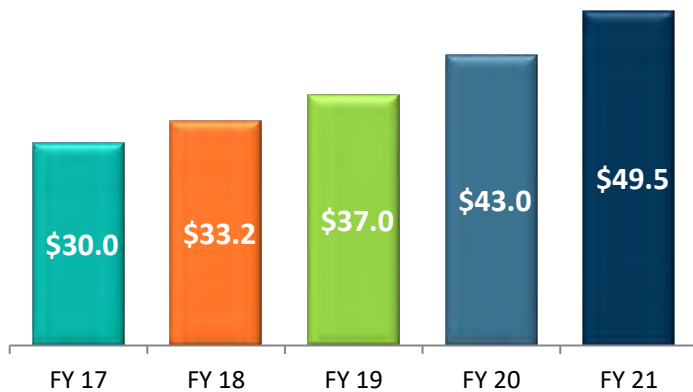


Belmont Fire Protection District

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



Operating revenues of \$20.9 million were 20.5% higher than last year, reflecting an increase in sewer connection fees.

Operating expenses increased by \$0.7 million to \$11.3 million, mostly due to costs related to a shared capital improvement project in sewer collections.

The FY 2022 Budget includes \$7.7 million in sewer system capital improvements.

Long-Term Debt

At the end of fiscal year 2021, the City had a total of \$81.0 million in long-term debt. 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.

Strategic Focus Areas



Infrastructure and Mobility



Economic Development & Housing



Fiscal & Organizational Stability



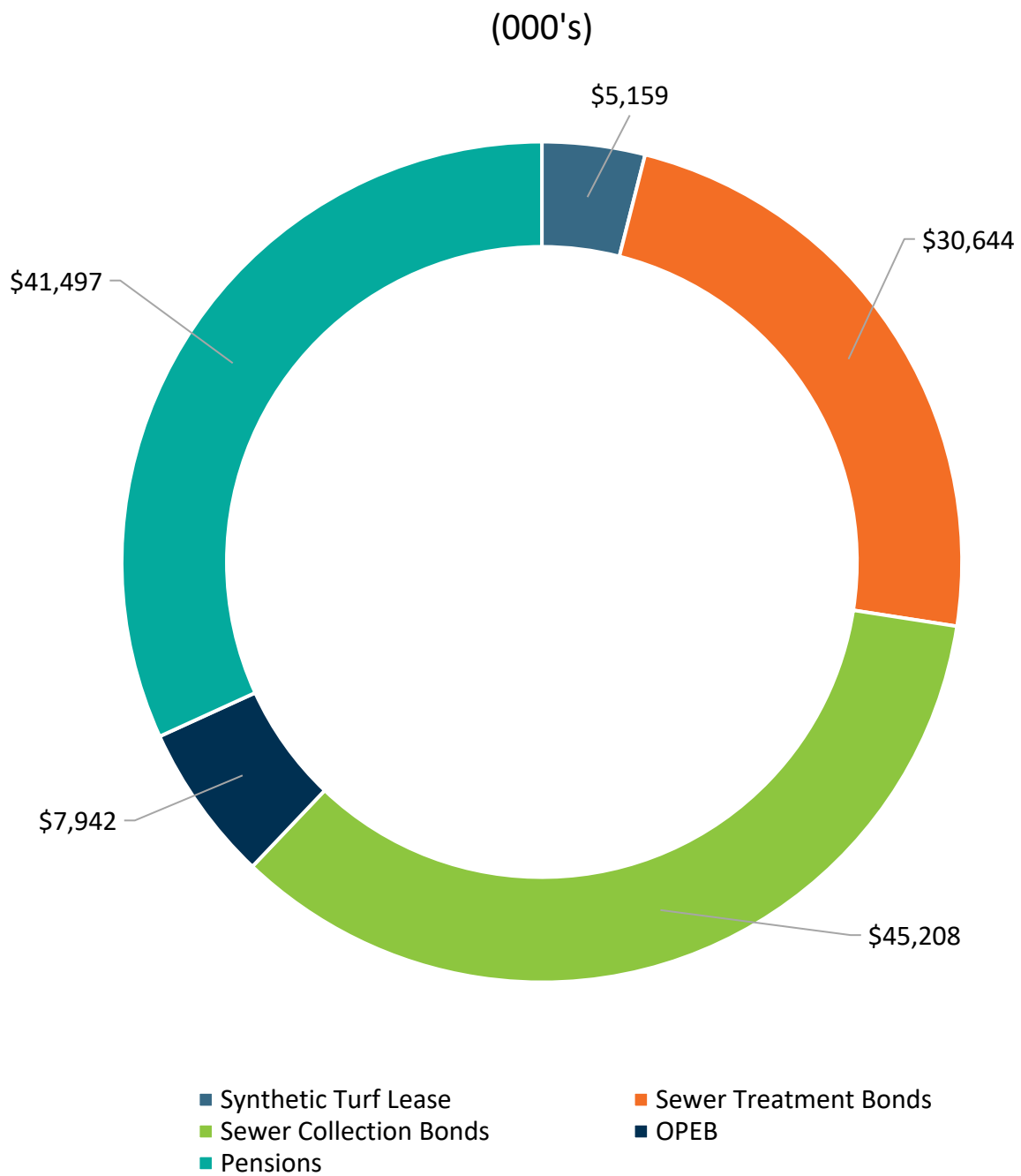
Public Safety



Quality of Life

Capital and Retirement Obligations

The chart below summarizes the City's capital and retirement obligations as of June 30, 2021.





Facts and Statistics

2021 Population
26,470
↓

FTE Employees
City – 134.30
↓

Area
4.61 Sq. Miles

Parks & Recreation
Recreation Class Participants – 18,075 ↓
Developed Parks – 15
Acres of Open Space – 287.58
Acres of Developed Parks – 61.4

Permit Center
Permits Issued – 1,640 ↑
Inspections Performed – 5,460 ↓

Public Safety

Police
Calls for Service – 25,559 ↑
Parking Violations – 1,935 ↓
Physical Arrests – 459 ↑
Traffic Violations – 989 ↓

Fire
Calls for Service – 2,455 ↑
Plan Checks – 209 ↑
Annual Fire Inspections – 403 ↑

Public Works

Sewer
Miles of Sewer – 85
Sewer Connections – 7,689 ↑

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

Streets
Miles of Streets – 70
Streetlights – 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. Autobahn Motors
3. Safeway Store #1138
4. Volkswagen Group of America ERL
5. Nikon Precision, Inc.
6. Silverado – Belmont Hills
7. Lunardi's Market
8. James Electronics/LTD
9. Woodmont Real Estate Services
10. Merry Moppet Preschool, Inc.

**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 Comprehensive Annual Financial Reports, 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Belmont
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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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, 2021, 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, 2020, related to the calculation of the Investment in Joint Venture. The Investment in this Joint Venture represents 3%, 4% and 1% 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, 2021 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds as discussed in Note 9E to the financial statements.

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 18, 2021 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 the effectiveness of the City's 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.

A handwritten signature in cursive script that reads "Mary & Associates".

Pleasant Hill, California
October 18, 2021

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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, 2021. 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 \$10.2 million to \$280.9 million, of which \$149.5 million represented governmental assets and \$131.5 million represented business-type assets.
- City total liabilities decreased by \$1.4 million to \$140.0 million, of which \$57.1 million were governmental liabilities and \$82.7 million, were business-type liabilities.
- The City's total net position increased by \$12.4 million to \$150.0 million.
- City-wide revenues were \$74.9 million, of which \$53.8 million were generated by governmental activities and \$21.1 million were generated by business-type activities.
- City-wide expenses were \$62.6 million, of which \$47.9 million were incurred by governmental activities and \$14.6 million were incurred by business-type activities.

Fund Level:

- Governmental Fund balances increased \$0.5 million to \$50.8 million. Of this amount, \$12.8 million, or 25.2%, was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$53.7 million, an increase of \$0.8 million from prior fiscal year.
- Governmental Fund expenditures increased by \$0.3 million to \$53.1 million, from \$52.8 million in the prior year.
- Enterprise Fund net position increased by \$6.5 million to \$49.5 million. Of this amount, \$21.2 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues were \$20.9 million in fiscal year 2021 compared to \$17.4 million in the prior year.
- Enterprise Fund operating expenses were \$11.3 million, an increase of \$0.7 million from \$10.6 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 2021 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 Changes in Net Position. 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)		
	2021	2020
Current and other assets	\$70,021	\$66,927
Capital assets	79,455	76,203
Total assets	149,476	143,130
Deferred outflows related to pension	8,796	9,516
Deferred outflows related to OPEB	1,812	1,773
Total deferred outflows	10,608	11,289
Current and other liabilities	5,148	5,411
Long-term obligations outstanding	51,954	50,591
Total liabilities	57,102	56,002
Deferred inflows related to pension	703	1,670
Deferred inflows related to OPEB	1,784	2,128
Total deferred inflows	2,487	3,798
Net position:		
Net investment in capital assets	74,700	74,540
Restricted	29,925	26,494
Unrestricted	(4,130)	(6,415)
Total net position	\$100,495	\$94,619

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 \$100.5 million, representing the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. During fiscal year 2021, the overall net position increased by \$5.9 million, or 6.2%, from \$94.6 million in fiscal year 2020. 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 \$74.7 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 \$29.9 million, or 29.8%, 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 \$4.1 million, compared to a negative of \$6.4 million at the end of the prior fiscal year.

At the end of the fiscal year 2021, 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.

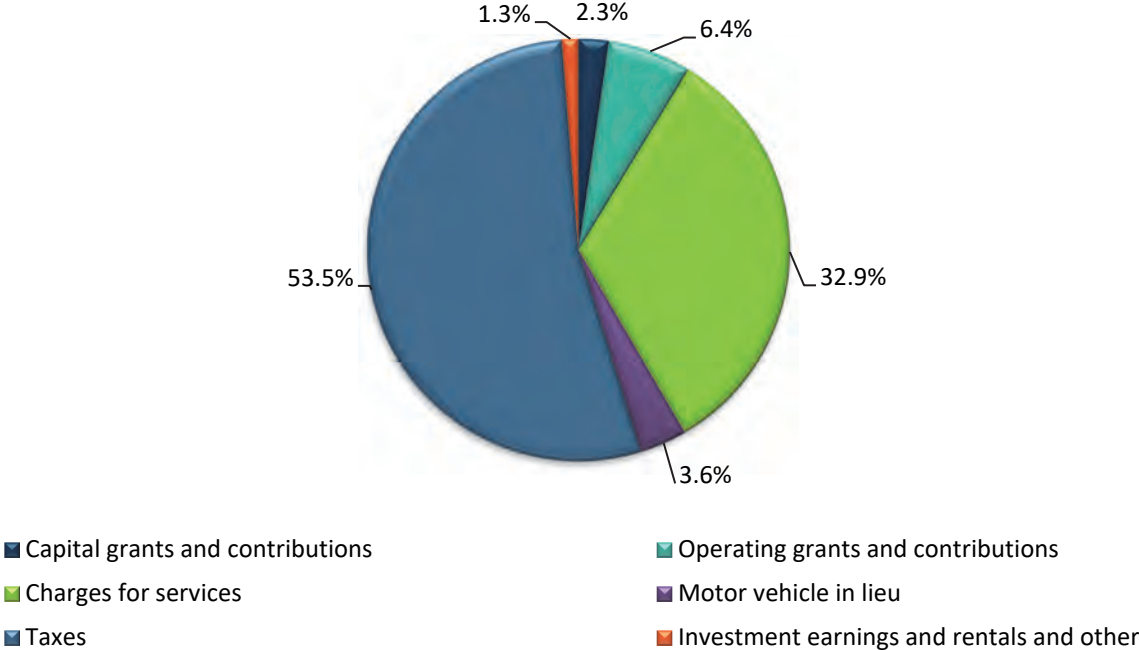
The City's Governmental activities net position increased by \$5.9 million. Governmental revenue increased by \$1.5 million to \$53.8 million. Compared to prior year, program revenues increased by \$2.9 million, or 15.3%. The governmental expenses increased by \$0.8 million to \$47.9 million.

Table 2
Changes in Governmental Net Position
(in Thousands)

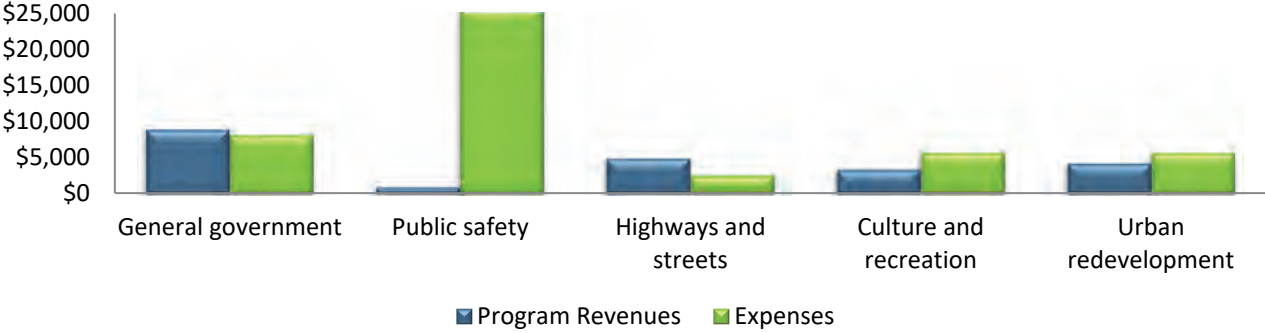
	2021	2020
Revenues		
Program revenues:		
Charges for services	\$17,708	\$14,952
Operating grants and contributions	3,457	3,512
Capital grants and contributions	1,228	944
Total program revenues	<u>22,393</u>	<u>19,408</u>
General revenues:		
Taxes:		
Property taxes	20,132	19,237
Sales taxes	5,970	5,129
Transient occupancy	1,321	3,794
Franchise	1,373	1,383
Motor vehicle in lieu	1,943	3,077
Equity in (losses) of joint ventures	405	
Other	281	320
Total general revenues	<u>31,425</u>	<u>32,940</u>
Total revenues	<u>53,818</u>	<u>52,348</u>
Expenses		
General government	8,168	8,462
Public safety	25,706	24,688
Highways and streets	2,564	2,769
Culture and recreation	5,707	6,728
Urban redevelopment	5,678	4,504
Interest on long-term debt	120	42
Total expenses	<u>47,943</u>	<u>47,193</u>
Change in net position	<u>5,876</u>	<u>5,155</u>
Net position-Beginning	<u>94,619</u>	<u>89,464</u>
Net position-Ending	<u>\$100,495</u>	<u>\$94,619</u>

The following charts display the City’s governmental activities for fiscal year 2021, highlighting the proportionate elements of the Revenue and Expenses by program.

Revenues by Source Governmental Activities



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 \$49.5 million in fiscal year 2021. This was a \$6.5 million or 15.1% increase over the beginning net position. This increase was attributable, in part, to sewer connection fees in fiscal year 2021. \$4.0 million or 8.0% of net position is invested in capital assets, net of related debt, while \$24.3 million is restricted for sewer treatment facility activities and \$21.2 million or 42.9% are unrestricted and available for the operations of the proprietary funds.

Table 3		
Business-Type Net Position at June 30		
(in Thousands)		
	2021	2020
Current and other assets	\$98,154	\$98,047
Capital assets	33,316	29,578
Total assets	131,470	127,625
Deferred outflows related to pension	774	904
Deferred outflows related to OPEB	160	183
Total deferred outflows	934	1,087
Current and other liabilities	4,088	4,743
Long-term debt outstanding	78,584	80,475
Total liabilities	82,672	85,218
Deferred inflows related to pension	80	251
Deferred inflows related to OPEB	150	220
Total deferred inflows	230	471
Net position:		
Net investment in capital assets	3,971	4,446
Restricted	24,301	22,464
Unrestricted	21,230	16,113
Total net position	\$49,502	\$43,023

Changes in Net Position

As shown on Table 4, total program revenues of business-type activities were \$20.9 million in fiscal year 2021. This was a \$3.5 million or 19.8% increase over the prior year, primarily due to the increased collection in sewer connection fees.

Table 4		
Business-Type Activities		
(in Thousands)		
	2021	2020
Revenues		
Program Revenues:		
Charges for Services	\$20,914	\$17,360
Operating Grants and Contributions		98
Capital Grants and Contributions		
Total program revenues	20,914	17,458
General Revenues and Transfers:		
Investment earnings, miscellaneous and transfers	205	2,483
Total general revenues and transfers	205	2,483
Total revenues	21,119	19,941
Expenses		
Sewer	12,131	11,443
Storm Drainage	2,056	2,120
Solid Waste	453	343
Total expenses	14,640	13,906
Change in net position	6,479	6,035
Net position-Beginning	43,023	36,988
Net position-Ending	\$49,502	\$43,023

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As of June 30, 2021, the City’s Governmental Funds reported combined ending fund balances of \$50.8 million, an increase of \$0.5 million, or 1.0%, from the prior year. In comparison with the prior year, revenues increased by \$0.8 million to \$53.7 million, and expenditures increased by \$0.3 million to \$53.1 million.

Table 5 below summarizes Governmental balances at the fund level:

Table 5		
Financial Highlights at Fund Level		
(in Thousands)		
	2021	2020
Total assets	\$53,975	\$53,927
Total liabilities	3,181	3,275
Deferred Inflows		383
Total fund balances	50,794	50,269
Total revenues	53,711	52,915
Total expenditures	53,064	52,793
Total other financing sources (uses)	(122)	4,632

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 51.6% of total governmental revenues and 45.6% 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 \$12.8 million represents 74.4% of the \$17.1 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 52.7%, or equates to 192 days, of total General Fund expenditures (excluding transfers out) for the year.

During fiscal year 2021, the total fund balance of General Fund increased by \$1.4 million, representing a 9.0% increase over the prior year. The increase is in part to a \$4.0 million reduction in transfers out of the General Fund to help support other funds, including Capital Projects.

General Fund Budgetary Highlights: The fiscal year 2021 adopted budget for General Fund expenditures amounted to \$27.8 million (excluding \$3.8 million transfers out). The final budget amount was \$27.0 million.

General Fund revenues were \$27.7 million, below the final amended budget by \$198 thousand. 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 \$2.8 million mainly due to the delay of a capital project that is expected to be completed in fiscal year 2022.

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, 2021, the fund balance increased \$2.0 million over the prior year. Overall revenues decreased slightly to \$13.0 million. Overall expenditures increased by \$0.7 million compared to prior year due in part from the implementation of wildland fire prevention activities. As of June 30, 2021, the Belmont Fire Protection District has a \$7.5 million reserve set aside for replacing facilities.

Analysis of the Proprietary Funds

Sewer Collections

Operating revenues increased by \$3.6 million, or 28.0% to \$16.3 million, compared to prior year. This increase is driven by an increase of \$3.6 million in sewer connection fees. Operating expenses increased to \$8.7 million from \$8.0 million in the prior year. Net position totaled \$20.0 million, an increase of \$5.6 million from fiscal year 2020. Of this amount, \$19.2 million was unrestricted, including equity interest in SVCW (Note 13). The remaining \$0.8 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 \$0.1 million. Net position totaled \$24.3 million, a \$1.8 million increase compared to fiscal year 2020, 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, decreased nominally to \$1.0 million. Operating expenses decreased slightly to \$2.1 million. Net position totaled \$3.6 million, with \$3.2 million invested in capital assets and \$0.4 million in unrestricted net position.

Solid Waste Fund

Operating revenues were relatively flat at \$0.5 million while operating expenses increased to \$0.5 million respectively, from the prior year. Net position was \$1.6 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>2021</u>	<u>2020</u>
<i>Governmental Activities</i>		
Land	\$12,610	\$12,610
Construction in progress	391	7,108
Buildings	38,469	38,775
Improvements other than buildings	5,288	5,052
Streets and infrastructure	68,816	55,867
Machinery and equipment	6,548	6,306
Vehicles	4,607	4,617
Less accumulated depreciation	(57,274)	(54,132)
Totals	<u>\$79,455</u>	<u>\$76,203</u>
<i>Business-Type Activities</i>		
Land	\$15	\$15
Construction in progress	5,263	
Improvements other than buildings	48,168	48,064
Machinery and equipment	327	317
Less accumulated depreciation	(20,457)	(18,818)
Totals	<u>\$33,316</u>	<u>\$29,578</u>

The net increase of \$3.3 million for governmental activities in fiscal year 2021 consists primarily of a \$12.9 million increase in streets and infrastructure including transfer from construction in progress and the completion of the turf replacement project.

Business-type activities' capital assets increased by \$3.7 million to \$33.3 million primarily from an increase in construction in progress 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>2021</u>	<u>2020</u>
<i>Governmental Activity Debt:</i>		
Capital Lease:		
2019 Synthetic Turf Installation project, 2%, due 2029	\$5,159	\$5,708
Subtotal Governmental Activity Debt	<u>5,159</u>	<u>5,708</u>
<i>Business-type Activities Debt – Sewer Enterprise Funds:</i>		
Long-Term Bonds Payable:		
2009 Sewer Revenue Bonds, 3%-5%, due 2042	6,950	7,145
2016 Sewer Refunding Revenue Bonds, 3%-5% due 2035	8,467	9,009
2016 Sewer Revenue Bonds, 2%-50% due 2046	15,770	15,875
2018 Sewer Treatment Revenue Bonds, 5% due 2048	23,694	24,139
2019 Sewer Collection Bonds, 5% due 2049	<u>20,970</u>	<u>21,281</u>
Subtotal Business-type Activities Debt	<u>75,851</u>	<u>77,449</u>
Total Long-Term Obligations	<u>\$81,010</u>	<u>\$83,157</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.

**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$55,005,031	\$46,386,543	\$101,391,574
Cash and investments with fiscal agent (Note 3)		5,865,664	5,865,664
Receivables:			
Accounts	2,430,860	187,072	2,617,932
Interest	77,751		77,751
Due from other governmental agencies	1,661,544	86,155	1,747,699
Notes receivable (Note 5)	2,691,882		2,691,882
Prepays and other assets	355,640		355,640
Land held for resale (Note 6)	3,315,328		3,315,328
Net OPEB asset (Note 11)	643,342		643,342
Investment in SVCW - Joint Venture (Note 13A)		45,628,363	45,628,363
Investment in SMC Fire - Joint Venture (Note 13A)	3,839,618		3,839,618
Capital assets (Note 7)			
Land and construction in progress	13,001,169	5,277,742	18,278,911
Depreciable assets, net	66,454,271	28,038,131	94,492,402
Total Assets	<u>149,476,436</u>	<u>131,469,670</u>	<u>280,946,106</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 10B)	8,795,600	773,962	9,569,562
Related to OPEB (Note 11)	1,811,951	160,122	1,972,073
Total Deferred Outflows of Resources	<u>10,607,551</u>	<u>934,084</u>	<u>11,541,635</u>
LIABILITIES			
Accounts payable and other liabilities	2,604,539	2,551,211	5,155,750
Unearned revenue	16,414		16,414
Deposits	766,463		766,463
Compensated absences (Note 1H)			
Due within one year	848,117	117,205	965,322
Due in more than one year	1,742,939	100,414	1,843,353
Long-term debt (Note 8)			
Due within one year	560,035	1,420,000	1,980,035
Due in more than one year	4,599,270	74,431,407	79,030,677
Net Pension Liability (Note 10)			
Due in more than one year	38,010,217	3,486,371	41,496,588
Net OPEB Liability (Note 11)			
Due in more than one year	7,376,154	565,476	7,941,630
Claims payable (Note 12)			
Due within one year	352,457		352,457
Due in more than one year	225,463		225,463
Total Liabilities	<u>57,102,068</u>	<u>82,672,084</u>	<u>139,774,152</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 10B)	703,398	79,842	783,240
Related to OPEB (Note 11)	1,783,699	149,809	1,933,508
Total Deferred Inflows of Resources	<u>2,487,097</u>	<u>229,651</u>	<u>2,716,748</u>
NET POSITION (Note 9)			
Net investment in capital assets	<u>74,700,385</u>	<u>3,971,403</u>	<u>78,671,788</u>
Restricted for:			
Capital projects	2,067,133		2,067,133
Special revenue programs:			
Belmont Fire Protection District	15,376,650		15,376,650
Recreation	20,507		20,507
Senior Activities	86,273		86,273
Library Maintenance & Operations	962,402		962,402
City Trees	326,409		326,409
Supplemental Law Enforcement Services	35,100		35,100
Street Improvements Measures A, W and Grants	2,410,672		2,410,672
Street Improvements State Gas Tax & SB1	1,034,625		1,034,625
Athletic Field Maintenance	377,267		377,267
Affordable Housing Successor Agency	3,687,918		3,687,918
Housing Inclusionary	2,385,199		2,385,199
Development Services	1,154,951		1,154,951
Sewer Treatment Facility Charge		24,300,968	24,300,968
Total Restricted Net Position	<u>29,925,106</u>	<u>24,300,968</u>	<u>54,226,074</u>
Unrestricted	<u>(4,130,669)</u>	<u>21,229,648</u>	<u>17,098,979</u>
Total Net Position	<u>\$100,494,822</u>	<u>\$49,502,019</u>	<u>\$149,996,841</u>

See accompanying notes to financial statements

CITY OF BELMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

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	\$8,168,398	\$8,880,620	\$58,767		\$770,989	\$770,989
Public safety	25,705,962	413,536	518,976		(24,773,450)	(24,773,450)
Highways and streets	2,563,851	1,220,787	2,763,426	\$927,833	2,348,195	2,348,195
Culture and recreation	5,707,179	2,966,339	115,651	300,000	(2,325,189)	(2,325,189)
Urban redevelopment	5,678,182	4,227,537			(1,450,645)	(1,450,645)
Interest on long-term debt	119,690				(119,690)	(119,690)
Total Governmental Activities	47,943,262	17,708,819	3,456,820	1,227,833	(25,549,790)	(25,549,790)
Business-type Activities:						
Sewer Collections	10,760,135	16,273,536			\$5,513,401	5,513,401
Sewer Treatment	1,370,917	3,181,962			1,811,045	1,811,045
Storm Drainage	2,056,207	968,969			(1,087,238)	(1,087,238)
Solid Waste	452,750	489,560			36,810	36,810
Total Business-type Activities	14,640,009	20,914,027			6,274,018	6,274,018
Total	\$62,583,271	\$38,622,846	\$3,456,820	\$1,227,833	(25,549,790)	(19,275,772)
General revenues:						
Taxes:						
Property taxes					20,132,097	20,132,097
Sales taxes					5,969,774	5,969,774
Transient occupancy taxes					1,320,865	1,320,865
Franchise					1,372,698	1,372,698
Motor vehicle in lieu, unrestricted					1,943,403	1,943,403
Gain on investment in joint venture (Note 13A)					405,493	405,493
Investment earnings and rentals					280,325	126,076
Miscellaneous					727	79,045
Total general revenues					31,425,382	205,121
Change in Net Position					5,875,592	6,479,139
Net Position-Beginning					94,619,230	43,022,880
Net Position-Ending					\$100,494,822	\$49,502,019

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, 2021

	General	Belmont Fire Protection District	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments (Note 3)	\$16,329,330	\$15,072,735	\$13,775,022	\$45,177,087
Receivables:				
Accounts	391,931	103,188	215,782	710,901
Interest	77,751			77,751
Due from other governmental agencies	1,239,649	228,349	193,546	1,661,548
Notes (Note 5)			2,691,882	2,691,882
Prepays and other assets	340,351			340,351
Land held for resale (Note 6)	298,748		3,016,580	3,315,328
	<u>\$18,677,760</u>	<u>\$15,404,272</u>	<u>\$19,892,812</u>	<u>\$53,974,844</u>
LIABILITIES				
Accounts payable and other liabilities	\$829,737	\$777	\$1,567,296	\$2,397,810
Unearned revenue	16,414			16,414
Deposits	682,338		84,125	766,463
	<u>1,528,489</u>	<u>777</u>	<u>1,651,421</u>	<u>3,180,687</u>
FUND BALANCES (Note 9)				
Nonspendable	639,099			639,099
Restricted		15,403,495	13,715,862	29,119,357
Committed for:				
Measure I Infrastructure	3,751,162			3,751,162
Special Revenue Programs			1,190,051	1,190,051
Assigned			3,335,478	3,335,478
Unassigned	12,759,010			12,759,010
	<u>17,149,271</u>	<u>15,403,495</u>	<u>18,241,391</u>	<u>50,794,157</u>
Total Fund Balances	<u>\$18,677,760</u>	<u>\$15,404,272</u>	<u>\$19,892,812</u>	<u>\$53,974,844</u>
Total Liabilities and Fund Balances	<u>\$18,677,760</u>	<u>\$15,404,272</u>	<u>\$19,892,812</u>	<u>\$53,974,844</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, 2021

Total fund balances reported on the governmental funds balance sheet \$50,794,157

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. 79,455,440

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	9,827,944
Accounts receivable	1,719,959
Prepays and other assets	15,289
Accounts payable and other liabilities	(206,729)
Claims payable	(577,920)
Compensated absences	(211,717)

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	8,795,600
Deferred outflows related to OPEB	1,811,951
Deferred inflows related to pensions	(703,398)
Deferred inflows related to OPEB	(1,783,699)

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	643,342
Investment in JPA Equity	3,839,618
Long-term debt	(5,159,305)
Net OPEB liability	(7,376,154)
Compensated absences	(2,379,339)
Net pension liability	<u>(38,010,217)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$100,494,822

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, 2021

	General	Belmont Fire Protection District	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$18,231,097	\$12,871,018	\$2,569,334	\$33,671,449
Licenses and permits	1,296,000		2,125,169	3,421,169
Fines and forfeitures	170,105			170,105
Use of money and property	641,127	(21,439)	402,061	1,021,749
Intergovernmental	381,986	166,630	1,128,777	1,677,393
Charges for current services	6,826,353		5,510,998	12,337,351
Miscellaneous	143,857		1,268,074	1,411,931
Total Revenues	27,690,525	13,016,209	13,004,413	53,711,147
EXPENDITURES				
Current:				
General government	6,894,135			6,894,135
Public safety	14,422,274	11,017,990	224,820	25,665,084
Highways and streets			2,361,710	2,361,710
Culture and recreation	2,348,647		3,065,755	5,414,402
Urban redevelopment			5,491,628	5,491,628
Capital outlay	537,788		6,031,671	6,569,459
Debt service:				
Principal			548,310	548,310
Interest and fiscal charges			119,690	119,690
Total Expenditures	24,202,844	11,017,990	17,843,584	53,064,418
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,487,681	1,998,219	(4,839,171)	646,729
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)			2,355,020	2,355,020
Transfers (out) (Note 4A)	(2,076,849)		(400,000)	(2,476,849)
Total Other Financing Sources (Uses)	(2,076,849)		1,955,020	(121,829)
NET CHANGE IN FUND BALANCES	1,410,832	1,998,219	(2,884,151)	524,900
BEGINNING FUND BALANCES	15,738,439	13,405,276	21,125,542	50,269,257
ENDING FUND BALANCES	\$17,149,271	\$15,403,495	\$18,241,391	\$50,794,157

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, 2021

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 \$524,900

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.	6,477,083
Retirements of capital assets are deducted from fund balance	(72,100)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$584,792 which has already been allocated to serviced funds)	(2,893,711)

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	548,310
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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	625,293
Compensated absences	(22,660)
Pension expense	(1,738,861)
OPEB expense	272,769

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	2,537,513
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$5,875,592
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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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$18,954,788	\$18,286,124	\$18,231,097	(\$55,027)
Licenses and permits	847,241	1,031,741	1,296,000	264,259
Fines and forfeitures	165,000	165,000	170,105	5,105
Use of money and property	1,085,375	1,085,375	641,127	(444,248)
Intergovernmental	26,993	358,057	381,986	23,929
Charges for current services	6,157,283	6,835,141	6,826,353	(8,788)
Miscellaneous	127,456	127,456	143,857	16,401
Total Revenues	<u>27,364,136</u>	<u>27,888,894</u>	<u>27,690,525</u>	<u>(198,369)</u>
EXPENDITURES:				
Current:				
General government	7,371,430	7,772,129	6,894,135	877,994
Public safety	14,566,686	14,427,927	14,422,274	5,653
Culture and recreation	2,576,414	2,522,476	2,348,647	173,829
Capital outlay	3,300,000	2,291,061	537,788	1,753,273
Total Expenditures	<u>27,814,530</u>	<u>27,013,593</u>	<u>24,202,844</u>	<u>2,810,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(450,394)</u>	<u>875,301</u>	<u>3,487,681</u>	<u>2,612,380</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	354,646			
Transfers out (Note 4A)	<u>(3,873,193)</u>	<u>(3,873,193)</u>	<u>(2,076,849)</u>	<u>1,796,344</u>
Total Other Financing Sources (Uses)	<u>(3,518,547)</u>	<u>(3,873,193)</u>	<u>(2,076,849)</u>	<u>1,796,344</u>
NET CHANGE IN FUND BALANCE	<u>(\$3,968,941)</u>	<u>(\$2,997,892)</u>	1,410,832	<u>\$4,408,724</u>
BEGINNING FUND BALANCE			<u>15,738,439</u>	
ENDING FUND BALANCE			<u>\$17,149,271</u>	

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$13,801,215	\$12,749,215	\$12,871,018	\$121,803
Use of money and property	93,935	93,935	(21,439)	(115,374)
Intergovernmental	64,290	159,445	166,630	7,185
Total Revenues	<u>13,959,440</u>	<u>13,002,595</u>	<u>13,016,209</u>	<u>13,614</u>
EXPENDITURES:				
Current:				
Public safety	10,257,320	10,759,167	11,017,990	(258,823)
Total Expenditures	<u>10,257,320</u>	<u>10,759,167</u>	<u>11,017,990</u>	<u>(258,823)</u>
NET CHANGE IN FUND BALANCE	<u>\$3,702,120</u>	<u>\$2,243,428</u>	1,998,219	<u>(\$245,209)</u>
BEGINNING FUND BALANCE			<u>13,405,276</u>	
ENDING FUND BALANCE			<u>\$15,403,495</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 2021.

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, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds	
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste		Totals
ASSETS						
Current Assets:						
Cash and investments (Note 3)	\$34,235,087	\$8,737,575	\$1,546,862	\$1,867,019	\$46,386,543	\$9,827,944
Cash and investments with fiscal agent (Note 3)	3,334,126	2,531,538			5,865,664	
Accounts receivable	128,514	50,142	8,416		187,072	1,719,959
Prepays and other assets						15,289
Due from other governmental agencies			44,673	41,482	86,155	
Total Current Assets	37,697,727	11,319,255	1,599,951	1,908,501	52,525,434	11,563,192
Noncurrent Assets:						
Investment in SVCW joint venture (Note 13)	1,441,253	44,187,110			45,628,363	
Capital assets (Note 7):						
Land and construction in progress	5,269,408		8,334		5,277,742	
Depreciable assets, net	24,886,451		3,151,680		28,038,131	1,413,161
Total Noncurrent Assets	31,597,112	44,187,110	3,160,014		78,944,236	1,413,161
Total Assets	69,294,839	55,506,365	4,759,965	1,908,501	131,469,670	12,976,353
DEFERRED OUTFLOWS						
Related to pension (Note 10B)	443,341		262,233	68,388	773,962	
Related to OPEB (Note 11)	101,631		42,687	15,804	160,122	
Total Deferred Outflows	544,972		304,920	84,192	934,084	
LIABILITIES						
Current Liabilities:						
Accounts payable and other liabilities	1,962,861	561,536	23,035	3,779	2,551,211	206,729
Claims payable (Note 12)						352,457
Long-term debt (Note 8)	865,000	555,000			1,420,000	
Compensated absences (Note 1H)	70,923		38,207	8,075	117,205	60,155
Total Current Liabilities	2,898,784	1,116,536	61,242	11,854	4,088,416	619,341
Noncurrent Liabilities:						
Claims payable (Note 12)						225,463
Compensated absences (Note 1H)	67,201		19,808	13,405	100,414	151,562
Long-term debt (Note 8)	44,342,546	30,088,861			74,431,407	
Net pension liability (Note 10)	1,997,068		1,181,245	308,058	3,486,371	
Net OPEB liability (Note 11)	358,913		150,750	55,813	565,476	
Total Noncurrent Liabilities	46,765,728	30,088,861	1,351,803	377,276	78,583,668	377,025
Total Liabilities	49,664,512	31,205,397	1,413,045	389,130	82,672,084	996,366
DEFERRED INFLOWS						
Related to pension (Note 10B)	45,735		27,052	7,055	79,842	
Related to OPEB (Note 11)	95,085		39,938	14,786	149,809	
Total Deferred Inflows	140,820		66,990	21,841	229,651	
NET POSITION (Note 9)						
Net investment in capital assets	811,389		3,160,014		3,971,403	1,413,161
Restricted for treatment facility		24,300,968			24,300,968	
Unrestricted	19,223,090		424,836	1,581,722	21,229,648	10,566,826
Total Net Position	\$20,034,479	\$24,300,968	\$3,584,850	\$1,581,722	\$49,502,019	\$11,979,987

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, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste	
OPERATING REVENUES					
Charges for current services					
Sewer service charges	\$12,572,930	\$3,181,962			\$15,754,892
Sewer connection fees	3,603,551				3,603,551
NPDES storm drain charges			\$503,645		503,645
Street sweeping			451,901		451,901
Garbage franchise fee				\$489,560	489,560
Interdepartmental charges	97,055		13,423		110,478
Insurance claims, change in claims payable					\$10,047,519
					426,142
Total Operating Revenues	<u>16,273,536</u>	<u>3,181,962</u>	<u>968,969</u>	<u>489,560</u>	<u>20,914,027</u>
OPERATING EXPENSES					
Personnel services	1,478,448		896,965	291,433	2,666,846
Services and supplies	5,779,254	126,823	921,300	161,317	6,988,694
Insurance premiums					939,602
Professional and legal					1,705,755
Operating costs					3,352,250
Pension and other post employment benefits					1,557,046
Insurance claims, net of change in claims payable					33,991
Depreciation	1,400,393		237,942		1,638,335
Total Operating Expenses	<u>8,658,095</u>	<u>126,823</u>	<u>2,056,207</u>	<u>452,750</u>	<u>11,293,875</u>
Operating Income (Loss)	<u>7,615,441</u>	<u>3,055,139</u>	<u>(1,087,238)</u>	<u>36,810</u>	<u>9,620,152</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	86,058	25,572	8,223	6,223	126,076
Interest expense	(1,424,429)	(1,244,094)			(2,668,523)
Loss from investment in SVCW - Joint Venture (Note 13)	(677,611)				(677,611)
Gain from sale of capital assets					6,470
Intergovernmental and miscellaneous	125		78,920		79,045
Total Nonoperating Revenues (Expenses)	<u>(2,015,857)</u>	<u>(1,218,522)</u>	<u>87,143</u>	<u>6,223</u>	<u>(3,141,013)</u>
Income (Loss) Before Transfers	<u>5,599,584</u>	<u>1,836,617</u>	<u>(1,000,095)</u>	<u>43,033</u>	<u>6,479,139</u>
Transfers in (Note 4A)			8,334		8,334
Transfers (out) (Note 4A)	(8,334)				(8,334)
Net transfers	<u>(8,334)</u>		<u>8,334</u>		<u>121,829</u>
Change in net position	5,591,250	1,836,617	(991,761)	43,033	6,479,139
BEGINNING 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>
ENDING NET POSITION	<u>\$20,034,479</u>	<u>\$24,300,968</u>	<u>\$3,584,850</u>	<u>\$1,581,722</u>	<u>\$49,502,019</u>

See accompanying notes to financial statements

CITY OF BELMONT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer Collections	Sewer Treatment	Storm Drainage	Nonmajor- Solid Waste	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$16,580,472	\$3,306,703	\$967,516	\$488,505	\$21,343,196
Other receipts	125		78,920		79,045
Interdepartmental charges	97,055		13,423		110,478
Payments to suppliers	(6,518,216)	(126,823)	(944,939)	(163,263)	(7,753,241)
Payments to employees	(1,605,635)		(1,039,742)	(268,329)	(2,913,706)
Claims paid					(25,878)
Cash Flows from Operating Activities	8,553,801	3,179,880	(924,822)	56,913	10,865,772
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			8,334		8,334
Interfund payments	(8,334)				(8,334)
Cash Flows from Noncapital Financing Activities	(8,334)		8,334		121,829
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets					6,470
Acquisition of capital assets	(5,367,976)		(8,334)		(5,376,310)
Principal payments on capital debt	(735,000)	(535,000)			(1,270,000)
Interest paid	(1,662,470)	(1,359,209)			(3,021,679)
Investment in SVCW		(4,915,704)			(4,915,704)
Cash Flows from Capital and Related Financing Activities	(7,765,446)	(6,809,913)	(8,334)		(14,583,693)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	86,058	25,572	8,223	6,223	126,076
Cash Flows from Capital and Related Investing Activities	86,058	25,572	8,223	6,223	126,076
Net Cash Flows	866,079	(3,604,461)	(916,599)	63,136	(3,591,845)
Cash and investments at beginning of period	36,703,134	14,873,574	2,463,461	1,803,883	55,844,052
Cash and investments at end of period	<u>\$37,569,213</u>	<u>\$11,269,113</u>	<u>\$1,546,862</u>	<u>\$1,867,019</u>	<u>\$52,252,207</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$7,615,441	\$3,055,139	(\$1,087,238)	\$36,810	\$9,620,152
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	1,400,393		237,942		1,638,335
Miscellaneous	125		78,920		79,045
Change in assets, deferred outflows and liabilities:					
Receivables, net	403,991	124,741	11,970	(1,055)	539,647
Accounts payable	(738,962)		(23,639)	(1,946)	(764,547)
Claims payable					(421,754)
Deferred outflows	86,726		63,533	2,365	152,624
Deferred inflows	(133,504)		(93,697)	(14,149)	(241,350)
Net pension liability	(22,530)		6,117	24,654	8,241
Net OPEB liability	(41,292)		(85,439)	7,450	(119,281)
Compensated absences	(16,587)		(33,291)	2,784	(47,094)
Cash Flows from Operating Activities	\$8,553,801	\$3,179,880	(\$924,822)	\$56,913	\$10,865,772
Non-cash transactions					
Amortization of Bond Premiums	\$222,730	\$105,513			\$328,243
Loss from investment in SVCW - Joint Venture (Note 13)	(677,611)				(677,611)
	<u>(\$454,881)</u>	<u>\$105,513</u>			<u>(\$349,368)</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.

Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity. The Library Community Facilities District Custodial Fund accounts for payment of interest and principal on debt service of the District for the construction, maintenance and operations of the Library building.

CITY OF BELMONT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2021

	Successor Agency Private-Purpose Trust Fund	Custodial Fund Library Community Facilities District
ASSETS		
Cash and investments (Note 3)	\$1,049,415	\$261,340
Cash and investments with fiscal agent (Note 3)	528,976	
Due from other governmental agencies		5,588
	<u>1,578,391</u>	<u>266,928</u>
LIABILITIES		
Interest payable	72,955	
Long-term debt (Note 15):		
Due within one year	775,000	
Due more than one year	4,160,000	
	<u>5,007,955</u>	<u></u>
NET POSITION (DEFICIT):		
Restricted for:		
Held in trust for private purpose	(3,429,564)	
Bondholders		266,928
	<u>(\$3,429,564)</u>	<u>\$266,928</u>

See accompanying notes to financial statements

CITY OF BELMONT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Successor Agency Private-Purpose Trust Fund</u>	<u>Custodial Fund Library Community Facilities District</u>
Additions:		
Property taxes	\$966,457	
Special assessments		\$675,991
Use of money and property	<u>1,700</u>	<u>17</u>
Total Additions	<u>968,157</u>	<u>676,008</u>
Deductions:		
Urban redevelopment	15,717	
Payments to bondholders		671,605
Interest expense	<u>177,245</u>	<u></u>
Total Deductions	<u>192,962</u>	<u>671,605</u>
Change in net position	775,195	4,403
Beginning Net Position (Deficit), As Restated (Note 9E)	<u>(4,204,759)</u>	<u>262,525</u>
Ending Net Position (Deficit)	<u><u>(\$3,429,564)</u></u>	<u><u>\$266,928</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, 2021

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, 2021

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, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Trust Funds and Custodial 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 one custodial fund: the Library Community Facilities District Fund, a fund reporting cash and investments for the District. 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, proprietary fund and fiduciary 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, 2021

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, 2021

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, 2021

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	\$2,560,152	\$154,711	\$91,306	\$18,696	\$2,824,865
Additions	1,043,231	82,405	30,029	16,659	1,172,324
Retirements	(1,012,327)	(98,992)	(63,320)	(13,875)	(1,188,514)
Ending Balance	<u>\$2,591,056</u>	<u>\$138,124</u>	<u>\$58,015</u>	<u>\$21,480</u>	<u>\$2,808,675</u>
Financial Statement					
Presentation:					
Due within One Year	\$848,117	\$70,923	\$38,207	\$8,075	\$965,322
Due in More than One Year	<u>1,742,939</u>	<u>67,201</u>	<u>19,808</u>	<u>13,405</u>	<u>1,843,353</u>
Total Ending Balance	<u>\$2,591,056</u>	<u>\$138,124</u>	<u>\$58,015</u>	<u>\$21,480</u>	<u>\$2,808,675</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Fund

The Traffic Mitigation Special Revenue Fund was established to account for transportation impact fees. Traffic Impact Fee revenues will be used to mitigate the impacts of new development by requiring new development to contribute to future transportation system investments in the City based on maintaining the existing proportionate level of investment in the City’s transportation infrastructure.

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, 2021 were as follows:

Major Governmental Funds:	
General Fund	\$72,363
Non-Major Governmental Funds	<u>695,881</u>
Total Encumbrances	<u><u>\$768,244</u></u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Expenditures exceeded budget for the following fund:

Fund	Expenditures in Excess of Appropriations
Major Governmental Fund:	
Belmont Fire Protection District Special Revenue Fund	\$258,823
Non-Major Governmental Funds:	
Supplemental Law Enforcement Services Special Revenue Fund	7,274

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, 2021

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, 2021 consist of the following:

Statement of Net Position	
Cash and investments	\$101,391,574
Cash and investments with fiscal agent	5,865,664
Fiduciary Funds	
Cash and investments	1,310,755
Cash and investments with fiscal agent	<u>528,976</u>
Total Cash and Investments	<u><u>\$109,096,969</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, 2021, the City holds \$135,088 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 \$12,393,862 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, 2021

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	50% (A)	None
Placement Service Certificates of Deposit	5 years	None	50% (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 and Asset-Backed 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 per account
Voluntary Investment Program Fund	N/A	None	None	None
Supranational Obligations (B)	5 years	AA	30%	None

(A) 50% 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, 2021

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, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment Type	12 Months or less	13 to 24 Months	Total
California Local Agency Investment Fund	\$101,743,416		\$101,743,416
<i>Held by Trustees:</i>			
Money Market Mutual Funds	98,733		98,733
U.S. Treasury Notes	3,132,287	\$3,163,624	6,295,911
Total Investments	<u>\$104,974,436</u>	<u>\$3,163,624</u>	108,138,060
Cash in banks and on hand			958,909
Total Cash and Investments			<u>\$109,096,969</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, 2021, these investments matured in an average of 291 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, 2021

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, 2021:

Investment Type	Level 1	Exempt or Amortized Cost	Total
California Local Agency Investment Fund		\$101,743,416	\$101,743,416
Held by Trustees:			
Money Market Mutual Funds		98,733	98,733
U.S. Treasury Notes	\$6,295,911		6,295,911
Total Investments	<u>\$6,295,911</u>	<u>\$101,842,149</u>	<u>\$108,138,060</u>

U.S. Treasury Notes totaling \$6,295,911 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, 2021 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	Total Investments
Money Market Mutual Funds	<u>\$98,733</u>	\$98,733
Not rated:		
California Local Agency Investment Fund		101,743,416
Exempt from rating requirement:		
U.S. Treasury Notes		<u>6,295,911</u>
Total investments		<u>\$108,138,060</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Special Revenue Funds		
Recreation	General Fund	\$1,497,411
Development Services	General Fund	392,705
Supplemental Law Enforcement Services	General Fund	64,904
Street Improvements	Measure W Special Revenue Fund	400,000 (a)
Enterprise Fund		
Storm Drainage	Sewer Collections Enterprise Fund	8,334 (a)
Internal Service Funds		
Self-Funded Vision	General Fund	3,125
Facilities Management	General Fund	118,704
		<u>\$2,485,183</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.

NOTE 5 – NOTES RECEIVABLE

These notes are summarized below:

Project	Amount
Mid-Peninsula Horizons, Inc.	\$241,159
Home Buyer Assistance Program	228,250
Firehouse Square	2,222,473
Total notes receivable	<u>\$2,691,882</u>

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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – NOTES RECEIVABLE (Continued)

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, and during the year ended June 30, 2021, the developer drew down the construction loan of \$1,150,000. The loans bear 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. The balance of the loans as of June 30, 2021, including accrued interest, was \$2,222,473.

In August 2021, the City and Belmont Firehouse Square, LLC entered into an amended and restated Development Agreement that includes selling property for its appraised value of \$4,800,000 for phase 2 of the project, which includes the 15-unit market rate for sale townhomes. The developer will pay \$1,000,000 at the close of escrow and the balance of the purchase price will be funded by a loan from the City. The loan will be secured by a promissory note and deed of trust on the property. Prior to or currently with the sale of each condominium unit of the project, the Developer is required to pay the City in cash an amount equal to the then outstanding indebtedness under the Promissory Note divided by the number of unsold townhome units existing immediately prior to the sale of such townhome unit, which will be credited to the outstanding balance of the loan. The loan will bear simple interest at four percent per annum and is payable no later than December 31, 2024.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Governmental Activities					
Capital assets not being depreciated:					
Land	\$12,609,903				\$12,609,903
Construction in progress	7,108,353	\$385,212		(\$7,102,299)	391,266
Total capital assets not being depreciated	19,718,256	385,212		(7,102,299)	13,001,169
Capital assets being depreciated:					
Buildings and building improvements	38,774,962		(\$306,000)		38,468,962
Improvements other than buildings	5,051,591	235,954			5,287,545
Streets and infrastructure	55,866,979	5,847,130		7,102,299	68,816,408
Machinery and equipment	6,305,995	241,510			6,547,505
Vehicles	4,617,460	92,900	(102,893)		4,607,467
Total capital assets being depreciated	110,616,987	6,417,494	(408,893)	7,102,299	123,727,887
Less accumulated depreciation for:					
Buildings and building improvements	17,401,127	909,191	(233,900)		18,076,418
Improvements other than buildings	1,692,905	228,917			1,921,822
Streets and infrastructure	25,738,950	1,732,845			27,471,795
Machinery and equipment	5,539,800	304,335			5,844,135
Vehicles	3,759,124	303,215	(102,893)		3,959,446
Total accumulated depreciation	54,131,906	3,478,503	(336,793)		57,273,616
Net depreciable assets	56,485,081	2,938,991	(72,100)	7,102,299	66,454,271
Governmental activities capital assets, net	\$76,203,337	\$3,324,203	(\$72,100)		\$79,455,440

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance June 30, 2020	Additions	Balance June 30, 2021
Business-type activities			
Capital assets not being depreciated:			
Land	\$14,792		\$14,792
Construction in progress		\$5,262,950	5,262,950
Total capital assets not being depreciated	<u>14,792</u>	<u>5,262,950</u>	<u>5,277,742</u>
Capital assets being depreciated:			
Improvements other than buildings	48,064,367	103,503	48,167,870
Machinery and equipment	316,909	9,857	326,766
Total capital assets being depreciated	<u>48,381,276</u>	<u>113,360</u>	<u>48,494,636</u>
Less accumulated depreciation			
Improvements other than buildings	18,509,683	1,630,638	20,140,321
Machinery and equipment	308,487	7,697	316,184
Total accumulated depreciation	<u>18,818,170</u>	<u>1,638,335</u>	<u>20,456,505</u>
Net depreciable assets	<u>29,563,106</u>	<u>(1,524,975)</u>	<u>28,038,131</u>
Business-type activities capital assets, net	<u>\$29,577,898</u>	<u>\$3,737,975</u>	<u>\$33,315,873</u>

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, 2021

NOTE 7 – CAPITAL ASSETS (Continued)

Governmental Activities	
General Government	\$1,072,998
Public Safety	87,868
Highways and Streets	1,290,234
Culture and Recreation	442,611
Depreciation Charges to Internal Service Funds	<u>584,792</u>
Total Governmental Activities	<u><u>\$3,478,503</u></u>
 Business-Type Activities	
Sewer Collections	\$1,400,393
Storm Drainage	<u>237,942</u>
Total Business-Type Activities	<u><u>\$1,638,335</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, 2021

NOTE 8 – LONG TERM DEBT (Continued)

A. Current Year Transactions and Balances

	Balance June 30, 2020	Retirements	Balance as of June 30, 2021	
			Due Within One Year	Due Beyond One Year
GOVERNMENTAL ACTIVITIES DEBT				
Capital Lease				
2019 San Mateo County				
2%, due 2029	\$5,707,615	\$548,310	\$560,035	\$4,599,270
Total Governmental Activities Debt	5,707,615	548,310	560,035	4,599,270
BUSINESS-TYPE ACTIVITIES DEBT				
2009A Sewer Treatment Facility				
Revenue Bonds				
3.00%-5.00%, due serially to 2042	7,145,000	195,000	200,000	6,750,000
2016 Sewer Revenue Refunding Bonds				
3.00%-5.00%, due serially to 2035	8,185,000	465,000	485,000	7,235,000
Premium	824,066	76,657		747,409
2016 Sewer Revenue Bonds				
2.00%-5.00%, due serially to 2046	15,830,000	100,000	110,000	15,620,000
Premium	44,686	4,158		40,528
2018 Sewer Treatment Revenue Bonds				
5%, due serially to 2048	21,185,000	340,000	355,000	20,490,000
Premium	2,954,374	105,513		2,848,861
2019 Sewer Revenue Bonds				
5%, due serially to 2049	17,095,000	170,000	270,000	16,655,000
Premium	4,186,524	141,915		4,044,609
Total Business-Type Activities Debt	77,449,650	1,598,243	1,420,000	74,431,407
Total Long-Term Obligations	\$83,157,265	\$2,146,553	\$1,980,035	\$79,030,677

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, 2021

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, 2021.

On October 1, 2018, the Authority 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 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 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, 2021.

The pledge of future Sewer Treatment Facility charges ends upon repayment of \$49,530,938 in remaining debt service on the 2009A and 2018 Bonds which is scheduled to occur in 2046. For fiscal year 2021, Sewer Treatment Facility Revenues amounted to \$3,207,534 and debt service was \$1,894,209.

On March 2016, the Authority 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, 2021.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – LONG TERM DEBT (Continued)

On November 20, 2019, the Authority 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, 2021.

The pledge of future Sewer Fund Revenues ends upon repayment of \$66,379,351 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 2021, Sewer Fund Revenues, excluding sewer treatment facility revenue, including operating revenues, but not connection charges or non-operating interest earnings, amounted to \$12,572,930 and operating costs including operating expenses, but not interest, depreciation or amortization amounted to \$7,257,702. Net revenues available for debt service amounted to \$5,315,228.

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
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	609,489	58,511	1,705,000	2,670,418
2027 - 2031	2,237,020	100,980	9,735,000	12,176,854
2032 - 2036			12,000,000	9,926,585
2037 - 2041			14,840,000	7,110,348
2042 - 2046			16,025,000	3,716,618
2047 - 2050			7,780,000	701,000
Total	<u>\$5,159,305</u>	<u>\$518,695</u>	<u>\$68,170,000</u>	<u>\$47,740,289</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021, the outstanding balance was \$4,790,000.

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, 2021

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, 2021

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s fund balances, as of June 30, 2021, are below:

Fund Balance Classifications	General Fund	Belmont Fire Protection District	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Prepays	\$340,351			\$340,351
Land held for resale	298,748			298,748
Total Nonspendable Fund Balances	639,099			639,099
Restricted for:				
Transportation			\$3,121,860	3,121,860
Belmont Fire Protection District		\$15,403,495		15,403,495
Special Revenue Programs:				
Recreation			20,507	20,507
Library Maintenance & Operations			962,402	962,402
City Trees			326,409	326,409
Athletic Field Maintenance			377,267	377,267
RMRA (SB1)			323,437	323,437
Senior Donations			86,273	86,273
Capital Projects			2,116,985	2,116,985
Special Assessment District			307,605	307,605
Housing Inclusionary			2,385,199	2,385,199
Low & Moderate Income Housing			3,687,918	3,687,918
Total Restricted Fund Balances		15,403,495	13,715,862	29,119,357
Committed to:				
Measure I Infrastructure	3,751,162			3,751,162
Special Revenue Programs:				
Development Services			1,154,951	1,154,951
Public Safety			35,100	35,100
Total Committed Fund Balances	3,751,162		1,190,051	4,941,213
Assigned to:				
Capital Projects			3,335,478	3,335,478
Total Assigned Fund Balances			3,335,478	3,335,478
Unassigned	12,759,010			12,759,010
Total Unassigned Fund Balances	12,759,010			12,759,010
Total Fund Balances	\$17,149,271	\$15,403,495	\$18,241,391	\$50,794,157

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021, the City is in compliance with its minimum fund balance policies.

D. *Belmont Fire Protection District*

The District established a \$7,500,000 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.

E. *Closure of the Section 125 Agency Fund and Restatement of Net Position*

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 84 – Fiduciary Activities during the year ended June 30, 2021. As a result, the City determined that the activities of the Section 125 Agency Fund will be reported in the General Fund beginning on July 1, 2020, and the activities of the Library Community Facilities District are now reported in a custodial fund, which required the restatement of beginning net position of that fund in the amount of \$262,525.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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)

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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 10 – PENSION PLAN (Continued)

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.

The Plan’s provisions and benefits in effect at June 30, 2021 are summarized as follows:

	City Miscellaneous Rate Plans		
	Tier 1	Tier 2	Tier 3
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)	11.348%	10.801%	7.794%
	City Safety Rate Plans		
	Tier 1	Tier 2	Tier 3
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%	13.0%
Required employer contribution rates (normal cost)	23.674%	20.585%	13.044%
	District Safety Rate Plans		
	Tier 1	Tier 2	Tier 3
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	0.0% (2)	0.0% (2)	0.0% (2)
Required employer contribution rates (normal cost)	0.0% (2)	0.0% (2)	0.0% (2)

- (1) For unrepresented employees, the hire date that determines the level of benefits is December 28, 2012.
(2) The District’s Safety Plan has no active participants as of January 2019.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 \$3,067,278 and \$86,319, respectively, in fiscal year 2021, 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, 2021, the contributions recognized as part of pension expense for the Plan were as follows:

	Safety	Miscellaneous	Total
Contributions - employer	\$2,700,413	\$2,799,829	\$5,500,242

During fiscal year 2021, the City made additional contributions to reduce the unfunded liability balances in the Safety and Miscellaneous rate plans in the amounts of \$306,993 and \$352,144, 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, 2021, 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 Rate Plans	\$20,251,178
Miscellaneous Rate Plans	21,245,410
Total Net Pension Liability	\$41,496,588

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, 2021

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, 2020, 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, 2019, rolled forward to June 30, 2020 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, 2020 and 2021 was as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.31%	0.50%
Proportion - June 30, 2021	<u>0.30%</u>	<u>0.50%</u>
Change - Increase (Decrease)	<u>-0.01%</u>	<u>0.00%</u>

For the year ended June 30, 2021, the City recognized pension expense of \$7,205,614. At June 30, 2021, 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	\$5,500,242	
Differences between actual and expected experience	2,665,215	
Changes in assumptions		(\$218,988)
Net differences between projected and actual earnings on plan investments	1,071,272	
Change in proportion and differences between actual contributions and proportionate share of contributions	<u>332,833</u>	<u>(564,252)</u>
Total	<u>\$9,569,562</u>	<u>(\$783,240)</u>

\$5,500,242 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, 2022. 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>
2022	\$582,034
2023	1,263,915
2024	916,889
2025	523,242

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 10 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	(1)
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
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) Depending on age, service and type of employment

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

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% of Scale MP-2016. For more details on this table, please refer to the December 2017 Experience Study report based on CalPERS demographic data from 1997 to 2015 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 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, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

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, 2021

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 and forecasted information for 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 rates 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 Comprehensive Annual Financial Report, 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:

	Discount Rate		
	1% Decrease	Current	1% Increase
	6.15%	7.15%	8.15%
Safety	\$29,956,764	\$20,251,178	\$12,286,827
Miscellaneous	31,741,062	21,245,410	12,573,183
Total	<u>\$61,697,826</u>	<u>\$41,496,588</u>	<u>\$24,860,010</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 10 – PENSION PLAN (Continued)

C. *Reduction of CalPERS Discount Rate*

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall PERF is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

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, 2021

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> <ul style="list-style-type: none"> - Age and service requirements: AFSCME - 50 & 10 hired before 7/1/1985 and retired before 7/1/2001 - 50 & 12 retired after 7/1/2001 and retired before 8/1/2012 - 50 & 12 hired after 8/1/2012 or who retire due to disability BPOA - 50 & 12 retired before 7/1/2001 - 50 & 12 retired on or after 7/1/2001 and hired before 10/11/2011 - 50 & 12 hired on or after 10/11/2011 MMCEA - 50 & 12 retired before 7/1/2001 - 50 & 12 retired on or after 7/1/2001 and hired before 10/1/2012 - 50 & 12 hired on or after 10/1/2012 or who retire due to disability Unrepresented - 50 & 12 retired before 7/1/2001 - 50 & 12 retired on or after 7/1/2001 and hired before 1/1/2013 - 50 & 12 hired on or after 1/1/2013 or who retire due to disability <p>Service or Disability Retirement from District</p> <ul style="list-style-type: none"> - 50 & 5 <p>Transitioning to District from BSCFD</p> <ul style="list-style-type: none"> - 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. 						
Benefit	<p>Service Retirement:</p> <ul style="list-style-type: none"> - Retire before 7/1/2001 - Bay Area Single premium for retiree selected plan - 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. - 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>Disability Retirement:</p> <ul style="list-style-type: none"> - Miscellaneous Group - Same benefit as service retirement or PEMHCA minimum if eligibility requirement not met. - BPOA - same benefit as service retirement but without the age or service requirement. <p>Retirement from District:</p> <ul style="list-style-type: none"> - PEMHCA minimum, subject to "unequal method" <p>Transitioning to District from BSCFD (or on active eligible list until 10/1/12):</p> <ul style="list-style-type: none"> - 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. 						
Surviving Spouse Continuation	<p>City:</p> <ul style="list-style-type: none"> - Public Employees Medical Hospital Care Act (PEMHCA) minimum only. <p>District:</p> <ul style="list-style-type: none"> - Based on CalPERS retirement election - PEMHCA Minimum - Unequal Method 						
Public Employees' Medical Hospital Care Act (PEMHCA) minimum	<p>CalPERS minimum employer contribution:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">YEAR</th> <th style="text-align: left; border-bottom: 1px solid black;">PEMHCA Minimum</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>\$143</td> </tr> <tr> <td>2022+</td> <td>Increase medical care component of CPI</td> </tr> </tbody> </table>	YEAR	PEMHCA Minimum	2021	\$143	2022+	Increase medical care component of CPI
YEAR	PEMHCA Minimum						
2021	\$143						
2022+	Increase medical care component of CPI						

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021, the City's contributions to the Plan were \$1,039,077. The District did not make any current year contributions.

Employees Covered by Benefit Terms – Membership in the Plans consisted of the following at the June 30, 2020 measurement date:

City	
Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>133</u>
Total	<u><u>250</u></u>
District	
Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>0</u>
Total	<u><u>22</u></u>

As of June 30, 2021, there were approximately 126 active City eligible participants, 97 eligible City retirees or surviving spouses, exclusive of living spouses and dependents, receiving benefits, and 26 retirees that were eligible, but not enrolled in the Plan benefits. For the District, as of June 30, 2021 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, 2021

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, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 rolled forward to June 30, 2020 using standard update procedures, based on the following actuarial methods and assumptions:

City and District

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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	100.0%	6.75%

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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, 2021

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, 2020	<u>\$14,465,936</u>	<u>\$6,519,763</u>	<u>\$7,946,173</u>
Changes for the year:			
Service Cost	336,270		336,270
Interest on the Total OPEB Liability	974,383		974,383
Contributions			
Employer - City's contribution		909,577	(909,577)
Employer - implicit subsidy		152,749	(152,749)
Net Investment Income		258,178	(258,178)
Benefit payments, including Refunds of Employee Contributions	(581,052)	(581,052)	-
Implicit Rate Subsidy Fulfilled	(152,749)	(152,749)	-
Administrative Expense		(5,308)	5,308
Net changes	<u>576,852</u>	<u>581,395</u>	<u>(4,543)</u>
Balance at June 30, 2021	<u>\$15,042,788</u>	<u>\$7,101,158</u>	<u>\$7,941,630</u>
District			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020	<u>\$1,343,685</u>	<u>\$1,982,544</u>	<u>(\$638,859)</u>
Changes for the year:			
Interest on the Total OPEB Liability	87,946		87,946
Net Investment Income		75,366	(75,366)
Contributions			
Employer - City's contribution		363	(363)
Employer - implicit subsidy		18,011	(18,011)
Benefit payments, including Refunds of Employee Contributions	(63,553)	(63,553)	-
Implicit Rate Subsidy Fulfilled	(18,011)	(18,011)	-
Administrative Expense		(1,311)	1,311
Net changes	<u>6,382</u>	<u>10,865</u>	<u>(4,483)</u>
Balance at June 30, 2021	<u>\$1,350,067</u>	<u>\$1,993,409</u>	<u>(\$643,342)</u>
June 30, 2021 Total, Both Plans	<u>\$16,392,855</u>	<u>\$9,094,567</u>	<u>\$7,298,288</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Detailed information about the OPEB plans' fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report 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:

City	Trend Rate
1% Decrease	5.75%
Net OPEB Liability (Asset)	\$9,859,268
Current Discount Rate	6.75%
Net OPEB Liability (Asset)	\$7,941,630
1% Increase	7.75%
Net OPEB Liability (Asset)	\$6,353,880
District	
District	
1% Decrease	5.75%
Net OPEB Liability (Asset)	(\$482,872)
Current Discount Rate	6.75%
Net OPEB Liability (Asset)	(\$643,342)
1% Increase	7.75%
Net OPEB Liability (Asset)	(\$774,718)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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)	\$6,089,506
Trend Rate	7.25% Decreasing to 4.0%
Net OPEB Liability (Asset)	\$7,941,630
1% Increase	8.25% Decreasing to 5.0%
Net OPEB Liability (Asset)	\$10,212,286
<u>District</u>	<u>Trend Rate</u>
1% Decrease	6.25% Decreasing to 3.0%
Net OPEB Liability (Asset)	(\$783,352)
Trend Rate	7.25% Decreasing to 4.0%
Net OPEB Liability (Asset)	(\$643,342)
1% Increase	8.25% Decreasing to 5.0%
Net OPEB Liability (Asset)	(\$474,899)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021, the City and District recognized OPEB expense of \$1,734,537 and \$90,334, respectively. At June 30, 2021, 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	\$1,039,077	\$0
Differences between actual and expected experience		(1,657,454)
Changes of assumptions	726,756	(243,304)
Net differences between projected and actual earnings on OPEB plan investments	155,546	
Total	<u>\$1,921,379</u>	<u>(\$1,900,758)</u>
<u>District</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$0	\$0
Differences between actual and expected experience		
Changes of assumptions		(32,750)
Net differences between projected and actual earnings on OPEB plan investments	50,694	
Total	<u>\$50,694</u>	<u>(\$32,750)</u>
Grand Total, Both Plans	<u>\$1,972,073</u>	<u>(\$1,933,508)</u>

\$1,039,077 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, 2022. 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
2022	(\$230,514)	\$4,695
2023	(205,484)	10,287
2024	(202,804)	10,992
2025	(208,708)	7,480
2026	(170,946)	(4,310)
Thereafter	-	(11,200)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 Public Risk Innovation, Solutions and Management (PRISM) (formerly the California State Association of Counties Excess Insurance Authority (CSAC EIA)) for general liability, worker's compensation and other coverage. PRISM is a public entity risk pool of cities and counties within California. Loss contingency reserves established by the PRISM are funded by contributions from member agencies. The City pays an annual contribution to the PRISM, 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 \$1,023,559 for the year ended June 30, 2021. PRISM provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. PRISM is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

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

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 12 – RISK MANAGEMENT (Continued)

A. *Liability Coverage*

The PRISM 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 PRISM of \$3,872,346 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.

B. *Workers Compensation Coverage*

Effective December 1, 2004 the City purchased insurance for workers compensation through PRISM with coverage up to statutory limits after the City’s self-insured retention of zero. This policy also covered the District as of October 1, 2011, until the San Mateo Consolidated Fire Department discussed in Note 13A commenced operations on January 13, 2019. 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.

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, 2021, 2020 and 2019 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:

	2021	2020
Balance, July 1	\$999,674	\$934,481
Net change in claims liabilities	(327,275)	147,330
Claims paid	(94,479)	(82,137)
Balance, June 30	<u>\$577,920</u>	<u>\$999,674</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 for certain 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, based on three-year averages and updated annually. SVCW applies the JPA-defined formula to allocate annual budgeted operating costs to the four member entities and the City's proportionate share was 11.7% for fiscal year 2021 and is projected to be 11.1% in fiscal year 2022. The City's share of debt service of SVCW is allocated to the member entities according to the Joint Power Authority Agreement-defined percentage of ownership, as well as member's participation in each debt issuance. As SVCW continues to fund capital construction projects, debt service payments will peak in fiscal year 2027-28, once significant projects are complete, and all necessary debt is secured. The City's actual and projected share of debt service costs range from \$178,425 in fiscal year 2021 to \$1.78 million in fiscal year 2032. The City's proportionate share of operating and maintaining the facility and debt service, during the year ended, June 30, 2021 was \$3,386,172.

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. The City's share of project costs is 9.45%, based on the percentages for each member entity defined in the Joint Power Authority Agreement, which are based on each member's dry weather capacity owned and its allocated share of future dry weather capacity.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 13 – JOINT VENTURES (Continued)

The City has an equity interest in the net 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, 2020, plus the additional capital contribution made during the year ended June 30, 2021. The loss from investment in SVCW was \$677,611 for the year ended June 30, 2021, and the investment was comprised of the following:

	Sewer Collections	Sewer Treatment	Total
Balance June 30, 2020	\$2,118,864	\$39,271,406	\$41,390,270
Change in investment	(677,611)		(677,611)
Additional capital contribution		4,915,704	4,915,704
Balance June 30, 2021	<u>\$1,441,253</u>	<u>\$44,187,110</u>	<u>\$45,628,363</u>

Financial statements may be obtained by mailing a request to the Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

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 the 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 2021 to fund capital outlay and operations totaled \$7,939,627. The City has an equity interest in the net 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, 2020, plus the capital contributions made during the year ended June 30, 2021, and the investment is comprised of the following:

	Governmental Activities
Balance June 30, 2020	\$3,214,325
Change in investment	405,493
Additional capital contribution	<u>219,800</u>
Balance June 30, 2021	<u>\$3,839,618</u>

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, 2021

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 net 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 \$85,033 for the year ended June 30, 2021. 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 \$1.7 million for the year ended June 30, 2021.

The Department had a negative net position balance of \$29.3 million per its audited financial statements as of June 30, 2021. Belmont's share of this balance was 47.1% or approximately \$13.8 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, 2021

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 certificate of occupancy for the shelter was issued in May 2020 and the final costs of construction totaled \$25.7 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 \$27,212. Payment on the lease commenced on July 1, 2020 and the City paid \$25,821 for the year ended June 30, 2021.

The cities and the County entered into a new animal care and control, shelter services, and animal licensing agreement effective July 1, 2021 for 5 years ending on June 30, 2026, under which the annual shared contractor and administrative costs total \$6.9 million and the annual license fees are expected to be approximately \$190 thousand. The City's share of the costs is 2.58%, or \$180 thousand per year for the contractor and administrator costs, plus actual license fees of approximately \$5 thousand per year.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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.

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.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

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.

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, 2020	Retirements	Balance as of June 30, 2021	
			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	\$3,670,000	\$575,000	\$595,000	\$2,500,000
2014 Series B Subordinated Bonds, 2.33%-3.89%, due serially to 2030	2,005,000	165,000	180,000	1,660,000
Total	<u>\$5,675,000</u>	<u>\$740,000</u>	<u>\$775,000</u>	<u>\$4,160,000</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.

2. Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest
2022	\$775,000	\$161,545
2023	800,000	134,025
2024	825,000	105,634
2025	855,000	76,278
2026	310,000	55,685
2027 - 2030	1,370,000	102,255
Total	<u>\$4,935,000</u>	<u>\$635,422</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

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	2020
Plan's proportion of the Net Pension Liability (Asset)	0.20%	0.20%	0.31%	0.31%	0.31%	0.31%	0.30%
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	\$20,251,178
Plan's Covered Payroll	\$3,572,606	\$3,842,764	\$4,758,030	\$4,919,474	\$5,180,593	\$4,397,264	\$4,078,548
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	345%	349%	342%	371%	351%	439%	497%
	Miscellaneous Rate Plan						
Measurement Date - June 30,	2014	2015	2016	2017	2018	2019	2020
Plan's proportion of the Net Pension Liability (Asset)	0.48%	0.48%	0.48%	0.48%	0.48%	0.50%	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	\$21,245,410
Plan's Covered Payroll	\$8,929,517	\$8,858,005	\$9,854,986	\$10,289,053	\$10,592,598	\$10,632,569	\$9,489,183
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	186%	149%	168%	185%	176%	190%	224%
	Plan Totals						
Measurement Date - June 30,	2014	2015	2016	2017	2018	2019	2020
Plan's proportion of the Net Pension Liability (Asset)	0.68%	0.68%	0.79%	0.79%	0.79%	0.81%	0.80%
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	\$41,496,588
Plan's Covered Payroll	\$12,502,123	\$12,700,769	\$14,613,016	\$15,208,527	\$15,773,191	\$15,029,833	\$13,567,731
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%	305.85%
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%	7.40%

* 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	2021
Actuarially determined contribution	\$1,125,011	\$2,287,426	\$2,058,664	\$2,263,676	\$2,293,736	\$2,660,652	\$2,700,413
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>	<u>(2,700,413)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$3,842,764	\$4,758,030	\$4,919,474	\$5,180,593	\$4,397,264	\$4,078,548	\$4,160,881
Contributions as a percentage of covered payroll	29.28%	48.08%	41.85%	43.70%	52.16%	65.24%	64.90%
	Miscellaneous Rate Plan						
Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$1,137,293	\$1,903,476	\$1,523,004	\$1,663,314	\$1,921,271	\$2,633,458	\$2,799,829
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>	<u>(2,799,829)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$8,858,005	\$9,854,986	\$10,289,053	\$10,592,598	\$10,632,569	\$9,489,183	\$9,890,731
Contributions as a percentage of covered payroll	12.84%	19.31%	14.80%	15.70%	18.07%	27.75%	28.31%
	Plan Totals						
Fiscal Year Ended June 30,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$2,262,304	\$4,190,902	\$3,581,668	\$3,926,990	\$4,215,007	\$5,294,110	\$5,500,242
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>	<u>(5,500,242)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$12,700,769	\$14,613,016	\$15,208,527	\$15,773,191	\$15,029,833	\$13,567,731	\$14,051,612
Contributions as a percentage of covered payroll	17.81%	28.68%	23.55%	24.90%	28.04%	39.02%	39.14%

* 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	2020
Total OPEB Liability				
Service Cost	\$370,743	\$381,865	\$375,298	\$336,270
Interest on the total OPEB Liability	1,013,089	1,022,229	1,101,266	974,383
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)	(581,052)
Implicit rate subsidy fulfilled	(218,910)	(234,234)	(234,234)	(152,749)
Net change in total OPEB liability	572,714	130,637	(738,073)	576,852
Total OPEB liability - beginning	14,500,658	15,073,372	15,204,009	14,465,936
Total OPEB liability - ending (a)	<u>\$15,073,372</u>	<u>\$15,204,009</u>	<u>\$14,465,936</u>	<u>\$15,042,788</u>
Plan fiduciary net position				
Contributions - employer-City's contribution	\$920,754	\$880,232	\$940,286	\$909,577
Contributions - employer-implicit subsidy	218,910	234,234	234,234	152,749
Net investment income	465,943	401,898	370,618	258,178
Benefit payments	(592,208)	(608,758)	(669,829)	(581,052)
Implicit rate subsidy fulfilled	(218,910)	(234,234)	(234,234)	(152,749)
Administrative expense	(2,373)	(2,813)	(1,269)	(5,308)
Net change in plan fiduciary net position	792,116	670,559	639,806	581,395
Plan fiduciary net position - beginning	4,417,282	5,209,398	5,879,957	6,519,763
Plan fiduciary net position - ending (b)	<u>\$5,209,398</u>	<u>\$5,879,957</u>	<u>\$6,519,763</u>	<u>\$7,101,158</u>
Net OPEB liability - ending (a)-(b)	<u>\$9,863,974</u>	<u>\$9,324,052</u>	<u>\$7,946,173</u>	<u>\$7,941,630</u>
Plan fiduciary net position as a percentage of the total OPEB liability	34.56%	38.67%	45.07%	47.21%
Covered-Employee Payroll	\$13,696,266	\$14,265,327	\$14,953,325	\$15,418,025
Net OPEB liability as percentage of covered-employee payroll	72.02%	65.36%	53.14%	51.51%

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>	<u>2021</u>
Actuarially determined contribution	\$1,153,043	\$1,229,277	\$1,018,423	\$1,039,077
Contributions in relation to the actuarially determined contributions	<u>(1,139,664)</u>	<u>(1,174,520)</u>	<u>(1,062,326)</u>	<u>(1,039,077)</u>
Contribution deficiency (excess)	<u>\$13,379</u>	<u>\$54,757</u>	<u>(\$43,903)</u>	<u>\$0</u>
Covered-employee payroll	\$14,265,327	\$14,953,325	\$15,418,025	\$15,860,488
Contributions as a percentage of covered-employee payroll	8.0%	7.9%	6.9%	6.6%
Notes to Schedule				
Valuation date:	7/1/2017	7/1/2017	7/1/2019	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 and 2021			
Assumed Payroll Growth	3.0% for 2018, 2.75% for 2019, 3.0% for 2020 and 2021			
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 and 2021			
Rate of return on assets	7.0% for 2018, 7.28% for 2019 and 6.75% for 2020 and 2021			
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,	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$135,523	\$139,589	\$140,544	\$0
Interest on the total OPEB Liability	123,123	132,415	152,041	87,946
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)	(63,553)
Implicit rate subsidy fulfilled	(32,332)	(34,595)	(34,595)	(18,011)
Net change in total OPEB liability	166,214	151,757	(643,103)	6,382
Total OPEB liability - beginning	1,668,817	1,835,031	1,986,788	1,343,685
Total OPEB liability - ending (a)	<u>\$1,835,031</u>	<u>\$1,986,788</u>	<u>\$1,343,685</u>	<u>\$1,350,067</u>
Plan fiduciary net position				
Contributions - employer-District's contribution	\$338,844	\$179,326	\$139,141	\$363
Contributions - employer-implicit subsidy	32,332	34,595	34,595	18,011
Net investment income	90,364	114,253	113,037	75,366
Investment Gains on Expected Return	27,956	-	-	-
Benefit payments	(60,100)	(39,972)	(43,125)	(63,553)
Implicit rate subsidy fulfilled	(32,332)	(34,595)	(34,595)	(18,011)
Administrative expense	(608)	(839)	(385)	(1,311)
Net change in plan fiduciary net position	396,456	252,768	208,668	10,865
Plan fiduciary net position - beginning	1,124,652	1,521,108	1,773,876	1,982,544
Plan fiduciary net position - ending (b)	<u>\$1,521,108</u>	<u>\$1,773,876</u>	<u>\$1,982,544</u>	<u>\$1,993,409</u>
Net OPEB liability - ending (a)-(b)	<u>\$313,923</u>	<u>\$212,912</u>	<u>(\$638,859)</u>	<u>(\$643,342)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	82.89%	89.28%	147.55%	147.65%
Covered-employee payroll	\$4,177,634	\$4,249,486	\$2,979,220	\$217,500
Net OPEB liability as percentage of covered-employee payroll	7.51%	5.01%	-21.44%	-295.79%

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>	<u>2021</u>
Actuarially determined contribution	\$185,827	\$165,429	\$0	\$0
Contributions in relation to the actuarially determined contributions	<u>(371,176)</u>	<u>(213,921)</u>	<u>(18,374)</u>	-
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	\$0
Contributions as a percentage of covered payroll	8.73%	7.18%	8.45%	N/A
Notes to Schedule				
Valuation date:	7/1/2017	7/1/2017	7/1/2019	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 and 2021			
Assumed Payroll Growth	3.0% for 2018, 2.75% for 2019, 3.0% for 2020 and 2021			
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 and 2021			
Rate of return on assets	7.0% for 2018, 7.28% for 2019 and 6.75% for 2020 and 2021			
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, 2021

	General	Measure I	Total General Fund
REVENUES			
Taxes	\$16,051,757	\$2,179,340	\$18,231,097
Licenses and permits	1,296,000		1,296,000
Fines and forfeitures	170,105		170,105
Use of money and property	632,809	8,318	641,127
Intergovernmental	381,986		381,986
Charges for current services	6,826,353		6,826,353
Miscellaneous	143,857		143,857
Total Revenues	25,502,867	2,187,658	27,690,525
EXPENDITURES			
Current:			
General government	6,894,135		6,894,135
Public safety	14,422,274		14,422,274
Culture and recreation	2,348,647		2,348,647
Capital outlay		537,788	537,788
Total Expenditures	23,665,056	537,788	24,202,844
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,837,811	1,649,870	3,487,681
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,076,849)		(2,076,849)
Total Other Financing Sources (Uses)	(2,076,849)		(2,076,849)
NET CHANGE IN FUND BALANCES	(239,038)	1,649,870	1,410,832
BEGINNING FUND BALANCES	13,637,147	2,101,292	15,738,439
ENDING FUND BALANCES	\$13,398,109	\$3,751,162	\$17,149,271

CITY OF BELMONT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	General			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES:				
Taxes	\$17,344,988	\$16,229,824	\$16,051,757	(\$178,067)
Licenses and permits	847,241	1,031,741	1,296,000	264,259
Fines and forfeitures	165,000	165,000	170,105	5,105
Use of money and property	1,059,093	1,059,093	632,809	(426,284)
Intergovernmental	26,993	358,057	381,986	23,929
Charges for current services	6,157,283	6,835,141	6,826,353	(8,788)
Miscellaneous	127,456	127,456	143,857	16,401
Total Revenues	25,728,054	25,806,312	25,502,867	(303,445)
EXPENDITURES:				
Current:				
General government	7,371,430	7,772,129	6,894,135	877,994
Public safety	14,566,686	14,427,927	14,422,274	5,653
Culture and recreation	2,576,414	2,522,476	2,348,647	173,829
Capital outlay				
Total Expenditures	24,514,530	24,722,532	23,665,056	1,057,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,213,524	1,083,780	1,837,811	754,031
OTHER FINANCING SOURCES USES				
Transfers in	354,646			
Transfers out	(3,873,193)	(3,873,193)	(2,076,849)	1,796,344
Total Other Financing Sources (Uses)	(3,518,547)	(3,873,193)	(2,076,849)	1,796,344
NET CHANGE IN FUND BALANCE	(\$2,305,023)	(\$2,789,413)	(239,038)	\$2,550,375
BEGINNING FUND BALANCE			13,637,147	
ENDING FUND BALANCE			\$13,398,109	

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		
\$1,609,800	\$2,056,300	\$2,179,340	\$123,040	\$18,954,788	\$18,286,124	\$18,231,097	(\$55,027)
				847,241	1,031,741	1,296,000	264,259
				165,000	165,000	170,105	5,105
26,282	26,282	8,318	(17,964)	1,085,375	1,085,375	641,127	(444,248)
				26,993	358,057	381,986	23,929
				6,157,283	6,835,141	6,826,353	(8,788)
				127,456	127,456	143,857	16,401
<u>1,636,082</u>	<u>2,082,582</u>	<u>2,187,658</u>	<u>105,076</u>	<u>27,364,136</u>	<u>27,888,894</u>	<u>27,690,525</u>	<u>(198,369)</u>
				7,371,430	7,772,129	6,894,135	877,994
				14,566,686	14,427,927	14,422,274	5,653
				2,576,414	2,522,476	2,348,647	173,829
3,300,000	2,291,061	537,788	1,753,273	3,300,000	2,291,061	537,788	1,753,273
3,300,000	2,291,061	537,788	1,753,273	27,814,530	27,013,593	24,202,844	2,810,749
<u>(1,663,918)</u>	<u>(208,479)</u>	<u>1,649,870</u>	<u>1,858,349</u>	<u>(450,394)</u>	<u>875,301</u>	<u>3,487,681</u>	<u>2,612,380</u>
				354,646			
				<u>(3,873,193)</u>	<u>(3,873,193)</u>	<u>(2,076,849)</u>	<u>1,796,344</u>
				<u>(3,518,547)</u>	<u>(3,873,193)</u>	<u>(2,076,849)</u>	<u>1,796,344</u>
<u>(\$1,663,918)</u>	<u>(\$208,479)</u>	1,649,870	<u>\$1,858,349</u>	<u>(\$3,968,941)</u>	<u>(\$2,997,892)</u>	1,410,832	<u>\$4,408,724</u>
		<u>2,101,292</u>				<u>15,738,439</u>	
		<u>\$3,751,162</u>				<u>\$17,149,271</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 (Measure A) receipts restricted for street expenditures and other street related grants.

Measure W – To account for the City's portion of the special half cent sales tax (Measure W) receipts restricted for street expenditures.

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.

Traffic Mitigation Fund – To account for transportation impact fees. Traffic Impact Fee revenues will be used to mitigate the impacts of new development by requiring new development to contribute to future transportation system investments in the City based on maintaining the existing proportionate level of investment in the City's transportation infrastructure.

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, 2021

	SPECIAL REVENUE FUNDS			
	Recreation	Library Maintenance and Operations	City Trees	Development Services
ASSETS				
Cash and investments		\$977,333	\$327,469	\$1,303,927
Receivables:				
Accounts	\$103,734			1,130
Due from other governmental agencies		2,511		
Notes				
Land held for redevelopment				
Total Assets	\$103,734	\$979,844	\$327,469	\$1,305,057
LIABILITIES				
Accounts payable and other liabilities	\$83,227	\$17,442	\$1,060	\$150,106
Deposits				
Total Liabilities	83,227	17,442	1,060	150,106
FUND BALANCES				
Restricted	20,507	962,402	326,409	
Committed				1,154,951
Assigned				
Total Fund Balances	20,507	962,402	326,409	1,154,951
Total Liabilities and Fund Balances	\$103,734	\$979,844	\$327,469	\$1,305,057

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services	Public Safety	Street Maintenance	Street Improvements	Measure W	Athletic Field Maintenance	Low & Moderate Income Housing Asset
\$3,343	\$35,100	\$674,110	\$2,131,608	\$184,088	\$379,633	\$296,205
		14,661	30,758	65,499		
		85,935	56,645			469,409
						3,016,580
<u>\$3,343</u>	<u>\$35,100</u>	<u>\$774,706</u>	<u>\$2,219,011</u>	<u>\$249,587</u>	<u>\$379,633</u>	<u>\$3,782,194</u>
\$3,343		\$63,518	\$57,926		\$2,366	\$10,151
						84,125
<u>3,343</u>		<u>63,518</u>	<u>57,926</u>		<u>2,366</u>	<u>94,276</u>
		711,188	2,161,085	\$249,587	377,267	3,687,918
	\$35,100					
	<u>35,100</u>	<u>711,188</u>	<u>2,161,085</u>	<u>249,587</u>	<u>377,267</u>	<u>3,687,918</u>
<u>\$3,343</u>	<u>\$35,100</u>	<u>\$774,706</u>	<u>\$2,219,011</u>	<u>\$249,587</u>	<u>\$379,633</u>	<u>\$3,782,194</u>

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	SPECIAL REVENUE FUND			
	Housing Inclusionary	Road Maintenance and Rehabilitation Account (SB1)	Senior Donations	Traffic Mitigation
ASSETS				
Cash and investments	\$162,726	\$621,208	\$86,273	
Receivables:				
Accounts				
Due from other governmental agencies		48,455		
Notes	2,222,473			
Land held for redevelopment				
Total Assets	\$2,385,199	\$669,663	\$86,273	
LIABILITIES				
Accounts payable and other liabilities		\$346,226		
Deposits				
Total Liabilities		346,226		
FUND BALANCES				
Restricted	\$2,385,199	323,437	\$86,273	
Committed				
Assigned				
Total Fund Balances	2,385,199	323,437	86,273	
Total Liabilities and Fund Balances	\$2,385,199	\$669,663	\$86,273	

CAPITAL PROJECTS FUNDS

General Facilities	Infrastructure	Comcast	Planned Park	Special Assessment District	Open Space
\$827,229	\$3,122,430	\$362,508	\$368,287	\$307,605	\$206,920
<u>\$827,229</u>	<u>\$3,122,430</u>	<u>\$362,508</u>	<u>\$368,287</u>	<u>\$307,605</u>	<u>\$206,920</u>
	\$820,418		\$10,830		\$683
	<u>820,418</u>		<u>10,830</u>		<u>683</u>
		\$362,508	357,457	\$307,605	
<u>\$827,229</u>	<u>2,302,012</u>				<u>206,237</u>
<u>827,229</u>	<u>2,302,012</u>	<u>362,508</u>	<u>357,457</u>	<u>307,605</u>	<u>206,237</u>
<u>\$827,229</u>	<u>\$3,122,430</u>	<u>\$362,508</u>	<u>\$368,287</u>	<u>\$307,605</u>	<u>\$206,920</u>

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Park Impact Fees	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$1,397,020	\$13,775,022
Receivables:		
Accounts		215,782
Due from other governmental agencies		193,546
Notes		2,691,882
Land held for redevelopment		3,016,580
	<u>\$1,397,020</u>	<u>\$19,892,812</u>
LIABILITIES		
Accounts payable and other liabilities		\$1,567,296
Deposits		84,125
		<u>1,651,421</u>
FUND BALANCES		
Restricted	\$1,397,020	13,715,862
Committed		1,190,051
Assigned		3,335,478
	<u>1,397,020</u>	<u>18,241,391</u>
Total Liabilities and Fund Balances	<u>\$1,397,020</u>	<u>\$19,892,812</u>

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Recreation	Library Maintenance and Operations	City Trees	Development Services
REVENUES				
Taxes		\$303,706		
Licenses and permits				\$2,125,169
Use of money and property	(\$1,010)	3,365	\$1,185	3,661
Intergovernmental	65,635			10,000
Charges for current services	1,005,105		11,552	2,448,247
Miscellaneous	6,342			43,287
Total Revenues	1,076,072	307,071	12,737	4,630,364
EXPENDITURES				
Current:				
Public safety				
Highways and streets				
Culture and recreation	2,552,976	377,957	48,677	
Urban redevelopment				4,275,739
Capital outlay				
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	2,552,976	377,957	48,677	4,275,739
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,476,904)	(70,886)	(35,940)	354,625
OTHER FINANCING SOURCES (USES)				
Transfers in	1,497,411			392,705
Transfers (out)				
Total Other Financing Sources (Uses)	1,497,411			392,705
NET CHANGE IN FUND BALANCES	20,507	(70,886)	(35,940)	747,330
BEGINNING FUND BALANCES		1,033,288	362,349	407,621
ENDING FUND BALANCES	\$20,507	\$962,402	\$326,409	\$1,154,951

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services	Public Safety	Street Maintenance	Street Improvements	Measure W	Athletic Field Maintenance	Low & Moderate Income Housing Asset
		\$1,239,084	\$705,935	\$320,609		
(\$71)	\$121	1,803	4,234	(65)	\$1,164	\$284,720
156,727		885,586	102,232		52,670	
		633	1,155,241		50,282	510
156,656	121	2,127,106	1,967,642	320,544	104,116	285,230
224,351	469	2,361,710			51,007	215,889
			560,256			
224,351	469	2,361,710	560,256		51,007	215,889
(67,695)	(348)	(234,604)	1,407,386	320,544	53,109	69,341
64,904			400,000			
				(400,000)		
64,904			400,000	(400,000)		
(2,791)	(348)	(234,604)	1,807,386	(79,456)	53,109	69,341
2,791	35,448	945,792	353,699	329,043	324,158	3,618,577
	\$35,100	\$711,188	\$2,161,085	\$249,587	\$377,267	\$3,687,918

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Housing Inclusionary	Road Maintenance and Rehabilitation Account (SB1)	Senior Donations	Traffic Mitigation
REVENUES				
Taxes				
Licenses and permits				
Use of money and property	\$74,424	\$2,380	\$293	
Intergovernmental		492,931		
Charges for current services	44,535			
Miscellaneous			117	
Total Revenues	118,959	495,311	410	
EXPENDITURES				
Current:				
Public safety				
Highways and streets				
Culture and recreation				
Urban redevelopment	1,000,000			
Capital outlay		759,851		
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	1,000,000	759,851		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(881,041)	(264,540)	410	
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	(881,041)	(264,540)	410	
BEGINNING FUND BALANCES	3,266,240	587,977	85,863	
ENDING FUND BALANCES	\$2,385,199	\$323,437	\$86,273	

CAPITAL PROJECTS FUNDS

General Facilities	Infrastructure	Comcast	Planned Park	Special Assessment District	Open Space
\$3,292	\$9,640 300,000	\$1,252	\$9,654 30,450 100	\$1,043	\$769
<u>5,561</u>					<u>6,001</u>
<u>8,853</u>	<u>309,640</u>	<u>1,252</u>	<u>40,204</u>	<u>1,043</u>	<u>6,770</u>
					35,138
201,698	823,663	11,429	3,674,774 548,310 119,690		
<u>201,698</u>	<u>823,663</u>	<u>11,429</u>	<u>4,342,774</u>		<u>35,138</u>
<u>(192,845)</u>	<u>(514,023)</u>	<u>(10,177)</u>	<u>(4,302,570)</u>	<u>1,043</u>	<u>(28,368)</u>
<u>(192,845)</u>	<u>(514,023)</u>	<u>(10,177)</u>	<u>(4,302,570)</u>	<u>1,043</u>	<u>(28,368)</u>
<u>1,020,074</u>	<u>2,816,035</u>	<u>372,685</u>	<u>4,660,027</u>	<u>306,562</u>	<u>234,605</u>
<u>\$827,229</u>	<u>\$2,302,012</u>	<u>\$362,508</u>	<u>\$357,457</u>	<u>\$307,605</u>	<u>\$206,237</u>

(Continued)

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Fund</u>	
	<u>Park Impact Fees</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Taxes		\$2,569,334
Licenses and permits		2,125,169
Use of money and property	\$1,459	402,061
Intergovernmental		1,128,777
Charges for current services	1,032,853	5,510,998
Miscellaneous		1,268,074
	<u>1,034,312</u>	<u>13,004,413</u>
EXPENDITURES		
Current:		
Public safety		224,820
Highways and streets		2,361,710
Culture and recreation		3,065,755
Urban redevelopment		5,491,628
Capital outlay		6,031,671
Debt service:		
Principal		548,310
Interest and fiscal charges		119,690
	<u>17,843,584</u>	<u>17,843,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		
	<u>1,034,312</u>	<u>(4,839,171)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		2,355,020
Transfers (out)		(400,000)
	<u>1,955,020</u>	<u>1,955,020</u>
NET CHANGE IN FUND BALANCES		
	1,034,312	(2,884,151)
BEGINNING FUND BALANCES		
	<u>362,708</u>	<u>21,125,542</u>
ENDING FUND BALANCES		
	<u><u>\$1,397,020</u></u>	<u><u>\$18,241,391</u></u>

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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, 2021

	SPECIAL REVENUE FUNDS					
	RECREATION			LIBRARY MAINTENANCE AND OPERATIONS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$306,979	\$303,706	(\$3,273)
Licenses and permits						
Use of money and property	(\$1,059)	(\$1,010)	\$49	13,293	3,365	(9,928)
Intergovernmental	48,052	65,635	17,583			
Charges for current services	1,212,153	1,005,105	(207,048)			
Miscellaneous	15,000	6,342	(8,658)			
Total Revenues	1,274,146	1,076,072	(198,074)	320,272	307,071	(13,201)
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation	2,784,307	2,552,976	231,331	436,451	377,957	58,494
Urban redevelopment						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,784,307	2,552,976	231,331	436,451	377,957	58,494
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,510,161)</u>	<u>(1,476,904)</u>	<u>33,257</u>	<u>(116,179)</u>	<u>(70,886)</u>	<u>45,293</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Transfers in	1,172,697	1,497,411	324,714			
Transfers (out)						
Total Other Financing Sources (Uses)	<u>1,172,697</u>	<u>1,497,411</u>	<u>324,714</u>			
NET CHANGE IN FUND BALANCES	<u>(\$337,464)</u>	<u>20,507</u>	<u>\$357,971</u>	<u>(\$116,179)</u>	<u>(70,886)</u>	<u>\$45,293</u>
BEGINNING FUND BALANCES					<u>1,033,288</u>	
ENDING FUND BALANCES		<u>\$20,507</u>			<u>\$962,402</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)
			\$1,453,000	\$2,125,169	\$672,169			
\$5,385	\$1,185	(\$4,200)	12,916	3,661	(9,255)	\$371	(\$71)	(\$442)
			10,000	10,000		181,275	156,727	(24,548)
5,000	11,552	6,552	1,642,000	2,448,247	806,247			
			131,000	43,287	(87,713)			
<u>10,385</u>	<u>12,737</u>	<u>2,352</u>	<u>3,248,916</u>	<u>4,630,364</u>	<u>1,381,448</u>	<u>181,646</u>	<u>156,656</u>	<u>(24,990)</u>
						217,077	224,351	(7,274)
53,573	48,677	4,896	5,229,690	4,275,739	953,951			
<u>53,573</u>	<u>48,677</u>	<u>4,896</u>	<u>5,229,690</u>	<u>4,275,739</u>	<u>953,951</u>	<u>217,077</u>	<u>224,351</u>	<u>(7,274)</u>
<u>(43,188)</u>	<u>(35,940)</u>	<u>7,248</u>	<u>(1,980,774)</u>	<u>354,625</u>	<u>2,335,399</u>	<u>(35,431)</u>	<u>(67,695)</u>	<u>(32,264)</u>
			1,572,812	392,705	(1,180,107)	3,105	64,904	61,799
			1,572,812	392,705	(1,180,107)	3,105	64,904	61,799
<u>(\$43,188)</u>	<u>(35,940)</u>	<u>\$7,248</u>	<u>(\$407,962)</u>	<u>747,330</u>	<u>\$1,155,292</u>	<u>(\$32,326)</u>	<u>(2,791)</u>	<u>\$29,535</u>
	<u>362,349</u>			<u>407,621</u>			<u>2,791</u>	
	<u>\$326,409</u>			<u>\$1,154,951</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, 2021

	SPECIAL REVENUE FUNDS					
	PUBLIC SAFETY			STREET MAINTENANCE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$1,196,016	\$1,239,084	\$43,068
Licenses and permits						
Use of money and property	\$287	\$121	(\$166)	2,567	1,803	(764)
Intergovernmental						
Charges for current services				1,043,812	885,586	(158,226)
Miscellaneous				10,500	633	(9,867)
Total Revenues	287	121	(166)	2,252,895	2,127,106	(125,789)
EXPENDITURES						
Current						
Public safety	10,000	469	9,531			
Highways and streets				2,799,753	2,361,710	438,043
Culture and recreation						
Urban redevelopment						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	10,000	469	9,531	2,799,753	2,361,710	438,043
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,713)	(348)	9,365	(546,858)	(234,604)	312,254
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(\$9,713)	(348)	\$9,365	(\$546,858)	(234,604)	\$312,254
BEGINNING FUND BALANCES		35,448			945,792	
ENDING FUND BALANCES		\$35,100			\$711,188	

SPECIAL REVENUE FUNDS

STREET IMPROVEMENTS			MEASURE W			ATHLETIC FIELD MAINTENANCE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$839,521	\$705,935	(\$133,586)	\$313,782	\$320,609	\$6,827			
9,857	4,234	(5,623)		(65)	(65)	\$2,512	\$1,164	(\$1,348)
1,385,000	102,232	(1,282,768)				60,000	52,670	(7,330)
<u>1,030,000</u>	<u>1,155,241</u>	<u>125,241</u>				<u>50,000</u>	<u>50,282</u>	<u>282</u>
<u>3,264,378</u>	<u>1,967,642</u>	<u>(1,296,736)</u>	<u>313,782</u>	<u>320,544</u>	<u>6,762</u>	<u>112,512</u>	<u>104,116</u>	<u>(8,396)</u>
						80,000	51,007	28,993
6,428,506	560,256	5,868,250						
<u>6,428,506</u>	<u>560,256</u>	<u>5,868,250</u>				<u>80,000</u>	<u>51,007</u>	<u>28,993</u>
<u>(3,164,128)</u>	<u>1,407,386</u>	<u>4,571,514</u>	<u>313,782</u>	<u>320,544</u>	<u>6,762</u>	<u>32,512</u>	<u>53,109</u>	<u>20,597</u>
808,208	400,000	(408,208)	(400,000)	(400,000)				
<u>808,208</u>	<u>400,000</u>	<u>(408,208)</u>	<u>(400,000)</u>	<u>(400,000)</u>				
<u>(\$2,355,920)</u>	<u>1,807,386</u>	<u>\$4,163,306</u>	<u>(\$86,218)</u>	<u>(79,456)</u>	<u>\$6,762</u>	<u>\$32,512</u>	<u>53,109</u>	<u>\$20,597</u>
	<u>353,699</u>			<u>329,043</u>			<u>324,158</u>	
	<u>\$2,161,085</u>			<u>\$249,587</u>			<u>\$377,267</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, 2021

	SPECIAL REVENUE FUNDS					
	LOW & MODERATE INCOME HOUSING ASSET			HOUSING INCLUSIONARY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property	\$81,345	\$284,720	\$203,375	\$31,648	\$74,424	\$42,776
Intergovernmental	310,000		(310,000)			
Charges for current services				200,500	44,535	(155,965)
Miscellaneous		510	510			
Total Revenues	<u>391,345</u>	<u>285,230</u>	<u>(106,115)</u>	<u>232,148</u>	<u>118,959</u>	<u>(113,189)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment	615,066	215,889	399,177	2,250,000	1,000,000	1,250,000
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>615,066</u>	<u>215,889</u>	<u>399,177</u>	<u>2,250,000</u>	<u>1,000,000</u>	<u>1,250,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(223,721)</u>	<u>69,341</u>	<u>293,062</u>	<u>(2,017,852)</u>	<u>(881,041)</u>	<u>1,136,811</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	3,000,150		(3,000,150)			
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)	<u>3,000,150</u>		<u>(3,000,150)</u>			
NET CHANGE IN FUND BALANCES	<u>\$2,776,429</u>	69,341	<u>(\$2,707,088)</u>	<u>(\$2,017,852)</u>	(881,041)	<u>\$1,136,811</u>
BEGINNING FUND BALANCES		<u>3,618,577</u>			<u>3,266,240</u>	
ENDING FUND BALANCES		<u>\$3,687,918</u>			<u>\$2,385,199</u>	

SPECIAL REVENUE FUNDS

ROAD MAINTENANCE AND REHABILITATION ACCOUNT (SB1)			SENIOR DONATIONS			TRAFFIC MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$3,560	\$2,380	(\$1,180)	\$654	\$293	(\$361)	\$1,000		(\$1,000)
487,569	492,931	5,362				28,500		(28,500)
			5,000	117	(4,883)			
491,129	495,311	4,182	5,654	410	(5,244)	29,500		(29,500)
			4,500		4,500			
801,920	759,851	42,069						
801,920	759,851	42,069	4,500		4,500			
(310,791)	(264,540)	46,251	1,154	410	(744)	29,500		(29,500)
<u>(\$310,791)</u>	<u>(264,540)</u>	<u>\$46,251</u>	<u>\$1,154</u>	<u>410</u>	<u>(\$744)</u>	<u>\$29,500</u>		<u>(\$29,500)</u>
	<u>587,977</u>			<u>85,863</u>				
	<u>\$323,437</u>			<u>\$86,273</u>				

(Continued)

CITY OF BELMONT
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

	CAPITAL PROJECT FUNDS					
	GENERAL FACILITIES			INFRASTRUCTURE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property	\$10,422	\$3,292	(\$7,130)	\$34,686	\$9,640	(\$25,046)
Intergovernmental				913,334	300,000	(613,334)
Charges for current services						
Miscellaneous		5,561	5,561			
Total Revenues	<u>10,422</u>	<u>8,853</u>	<u>(1,569)</u>	<u>948,020</u>	<u>309,640</u>	<u>(638,380)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment						
Capital outlay	224,348	201,698	22,650	1,841,000	823,663	1,017,337
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>224,348</u>	<u>201,698</u>	<u>22,650</u>	<u>1,841,000</u>	<u>823,663</u>	<u>1,017,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(213,926)</u>	<u>(192,845)</u>	<u>21,081</u>	<u>(892,980)</u>	<u>(514,023)</u>	<u>378,957</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$213,926)</u>	<u>(192,845)</u>	<u>\$21,081</u>	<u>(\$892,980)</u>	<u>(514,023)</u>	<u>\$378,957</u>
BEGINNING FUND BALANCES		<u>1,020,074</u>			<u>2,816,035</u>	
ENDING FUND BALANCES		<u>\$827,229</u>			<u>\$2,302,012</u>	

CAPITAL PROJECT FUNDS

COMCAST			PLANNED PARK			SPECIAL ASSESSMENT DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$47,095	\$9,654	(\$37,441)	\$2,386	\$1,043	(\$1,343)
\$5,630	\$1,252	(\$4,378)	194,000	30,450	(194,000)			
			(125,541)	100	155,991			
			10,000		(9,900)			
<u>5,630</u>	<u>1,252</u>	<u>(4,378)</u>	<u>125,554</u>	<u>40,204</u>	<u>(85,350)</u>	<u>2,386</u>	<u>1,043</u>	<u>(1,343)</u>
38,071	11,429	26,642	4,128,591	3,674,774	453,817			
			600,000	548,310	51,690			
			68,000	119,690	(51,690)			
<u>38,071</u>	<u>11,429</u>	<u>26,642</u>	<u>4,796,591</u>	<u>4,342,774</u>	<u>453,817</u>			
<u>(32,441)</u>	<u>(10,177)</u>	<u>22,264</u>	<u>(4,671,037)</u>	<u>(4,302,570)</u>	<u>368,467</u>	<u>2,386</u>	<u>1,043</u>	<u>(1,343)</u>
<u>(\$32,441)</u>	<u>(10,177)</u>	<u>\$22,264</u>	<u>(\$4,671,037)</u>	<u>(4,302,570)</u>	<u>\$368,467</u>	<u>\$2,386</u>	<u>1,043</u>	<u>(\$1,343)</u>
	<u>372,685</u>			<u>4,660,027</u>			<u>306,562</u>	
	<u>\$362,508</u>			<u>\$357,457</u>			<u>\$307,605</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, 2021

CAPITAL PROJECT FUND						
	OPEN SPACE			PARK IMPACT FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property	\$1,898	\$769	(\$1,129)	\$2,729	\$1,459	(\$1,270)
Intergovernmental						
Charges for current services				1,063,121	1,032,853	(30,268)
Miscellaneous		6,001	6,001			
Total Revenues	1,898	6,770	4,872	1,065,850	1,034,312	(31,538)
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment						
Capital outlay	39,956	35,138	4,818			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	39,956	35,138	4,818			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,058)	(28,368)	9,690	1,065,850	1,034,312	(31,538)
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$38,058)</u>	<u>(28,368)</u>	<u>\$9,690</u>	<u>\$1,065,850</u>	<u>1,034,312</u>	<u>(\$31,538)</u>
BEGINNING FUND BALANCES		<u>234,605</u>			<u>362,708</u>	
ENDING FUND BALANCES		<u>\$206,237</u>			<u>\$1,397,020</u>	

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 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, 2021

	<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	\$1,575,586	\$2,008,121	\$15,032	\$1,399,500	\$4,794,164
Accounts receivable		1,712,536			1,210
Prepays and other assets					15,289
Depreciable capital assets, net					1,265,671
Total Assets	<u>1,575,586</u>	<u>3,720,657</u>	<u>15,032</u>	<u>1,399,500</u>	<u>6,076,334</u>
LIABILITIES					
Accounts payable	2,677	3,771	15,032	3,380	114,590
Claims payable					
Current portion	10,397	342,060			
Due in more than one year	225,463				
Compensated absences					
Current portion					37,208
Due in more than one year					93,742
Total Liabilities	<u>238,537</u>	<u>345,831</u>	<u>15,032</u>	<u>3,380</u>	<u>245,540</u>
NET POSITION					
Net investment in capital assets					1,265,671
Unrestricted	<u>1,337,049</u>	<u>3,374,826</u>		<u>1,396,120</u>	<u>4,565,123</u>
Total Net Position	<u><u>\$1,337,049</u></u>	<u><u>\$3,374,826</u></u>		<u><u>\$1,396,120</u></u>	<u><u>\$5,830,794</u></u>

<u>Facilities Management</u>	<u>Total</u>
\$35,541	\$9,827,944
6,213	1,719,959
	15,289
<u>147,490</u>	<u>1,413,161</u>
<u>189,244</u>	<u>12,976,353</u>
67,279	206,729
	352,457
	225,463
22,947	60,155
<u>57,820</u>	<u>151,562</u>
<u>148,046</u>	<u>996,366</u>
147,490	1,413,161
<u>(106,292)</u>	<u>10,566,826</u>
<u>\$41,198</u>	<u>\$11,979,987</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Prefunding	Fleet and Equipment Management
OPERATING REVENUES					
Interdepartmental charges for services	\$730,321	\$1,085,399	\$10,622	\$1,492,034	\$5,243,734
Insurance claims, change in claims payable	367,302	58,840			
Total Operating Revenues	1,097,623	1,144,239	10,622	1,492,034	5,243,734
OPERATING EXPENSES					
Insurance premiums	556,703	382,899			
Professional and legal	4,425	136,975	3,125	90,504	1,134,926
Operating costs				5,350	1,861,321
Pension and other post employment benefits				1,557,046	
Insurance claims, net of change in claims payable	4,811	18,518	10,662		
Depreciation					578,319
Total Operating Expenses	565,939	538,392	13,787	1,652,900	3,574,566
Operating Income (Loss)	531,684	605,847	(3,165)	(160,866)	1,669,168
NONOPERATING REVENUES (EXPENSES)					
Gain from sale of capital assets					6,470
Use of money and property	4,107	5,101	40	4,959	11,820
Miscellaneous		22,536			1,295
Total Nonoperating Revenues (Expenses)	4,107	27,637	40	4,959	19,585
Income (Loss) Before Transfers	535,791	633,484	(3,125)	(155,907)	1,688,753
Transfers in			3,125		
Change in Net Position	535,791	633,484		(155,907)	1,688,753
BEGINNING NET POSITION	801,258	2,741,342		1,552,027	4,142,041
ENDING NET POSITION	\$1,337,049	\$3,374,826		\$1,396,120	\$5,830,794

<u>Facilities Management</u>	<u>Total</u>
\$1,485,409	\$10,047,519
	426,142
<u>1,485,409</u>	<u>10,473,661</u>
	939,602
335,800	1,705,755
1,485,579	3,352,250
	1,557,046
	33,991
<u>6,473</u>	<u>584,792</u>
<u>1,827,852</u>	<u>8,173,436</u>
<u>(342,443)</u>	<u>2,300,225</u>
	6,470
59,131	85,158
	23,831
<u>59,131</u>	<u>115,459</u>
(283,312)	2,415,684
<u>118,704</u>	<u>121,829</u>
(164,608)	2,537,513
<u>205,806</u>	<u>9,442,474</u>
<u>\$41,198</u>	<u>\$11,979,987</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Prefunding	Fleet and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds	\$730,321	\$1,085,399	\$10,622	\$1,492,034	\$5,245,731
Payments to vendors	(558,451)	(526,427)	(3,125)	(95,854)	(1,638,121)
Payment to or on behalf of employees				(1,553,666)	(1,390,802)
Claims paid	(8,434)	(10,507)	(6,937)		
Cash Flows from Operating Activities	<u>163,436</u>	<u>548,465</u>	<u>560</u>	<u>(157,486)</u>	<u>2,216,808</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			3,125		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets					(291,322)
Proceeds from sale of capital assets					6,470
Cash Flows from Capital and Related Financing Activities					<u>(284,852)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	4,107	5,101	40	4,959	11,820
Cash Flows from Investing Activities	<u>4,107</u>	<u>5,101</u>	<u>40</u>	<u>4,959</u>	<u>11,820</u>
Net Cash Flows	167,543	553,566	3,725	(152,527)	1,943,776
Cash and investments at beginning of period	1,408,043	1,454,555	11,307	1,552,027	2,850,388
Cash and investments at end of period	<u>\$1,575,586</u>	<u>\$2,008,121</u>	<u>\$15,032</u>	<u>\$1,399,500</u>	<u>\$4,794,164</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$531,684	\$605,847	(\$3,165)	(\$160,866)	\$1,669,168
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation					578,319
Miscellaneous revenues		22,536			1,295
Change in assets and liabilities:					
Accounts receivables		(22,536)			702
Prepays and other net assets					(5,625)
Accounts payable	2,677	(6,553)	3,725	3,380	(28,500)
Claims payable	(370,925)	(50,829)			
Compensated absences					1,449
Cash Flows from Operating Activities	<u>\$163,436</u>	<u>\$548,465</u>	<u>\$560</u>	<u>(\$157,486)</u>	<u>\$2,216,808</u>

Facilities Management	Total
\$1,479,196	\$10,043,303
(1,117,769)	(3,939,747)
(689,079)	(3,633,547)
	(25,878)
<u>(327,652)</u>	<u>2,444,131</u>
<u>118,704</u>	<u>121,829</u>
(34,301)	(325,623)
	6,470
<u>(34,301)</u>	<u>(319,153)</u>
<u>59,131</u>	<u>85,158</u>
<u>59,131</u>	<u>85,158</u>
(184,118)	2,331,965
<u>219,659</u>	<u>7,495,979</u>
<u>\$35,541</u>	<u>\$9,827,944</u>
(\$342,443)	\$2,300,225
6,473	584,792
	23,831
(6,213)	(28,047)
	(5,625)
7,736	(17,535)
	(421,754)
<u>6,795</u>	<u>8,244</u>
<u>(\$327,652)</u>	<u>\$2,444,131</u>

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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 and 2019 Sewer 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:

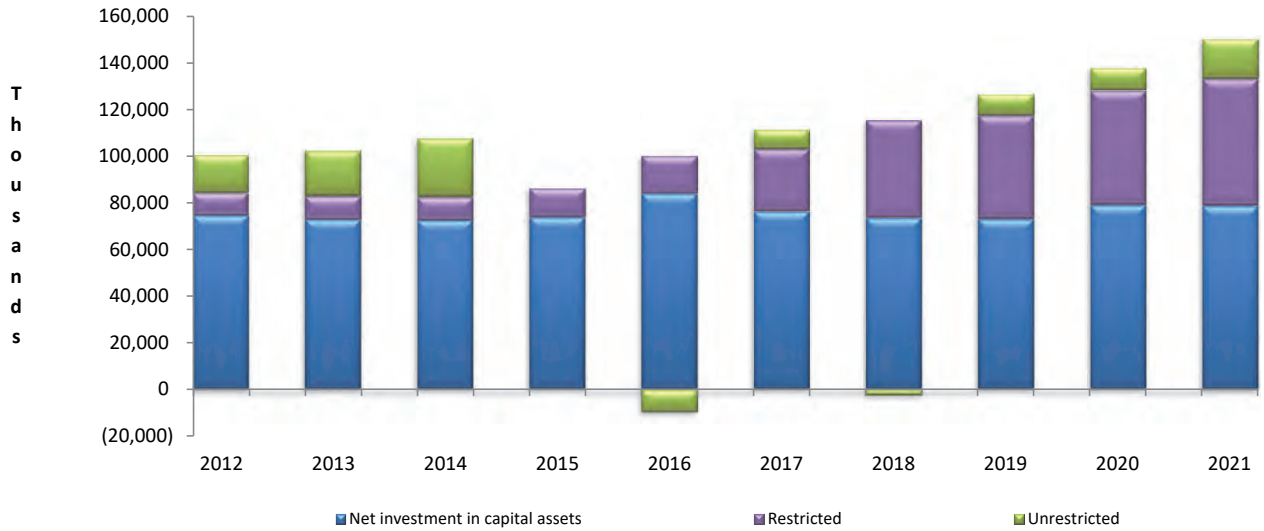
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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,				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$68,597,826	\$67,417,898	\$66,107,787	\$65,328,759	\$67,139,553
Restricted	6,464,610	6,722,358	6,664,041	6,904,176	6,904,177
Unrestricted	10,854,350	11,312,129	13,628,786	(8,619,488) (a)	(9,680,086)
Total governmental activities	\$85,916,786	\$85,452,385	\$86,400,614	\$63,613,447	\$64,363,644
Business-type activities					
Net investment in capital assets	\$5,985,860	\$5,418,984	\$6,447,043	\$8,424,614	\$16,739,430
Restricted	3,061,696	3,108,105	3,108,838	5,383,408	9,143,559
Unrestricted	5,460,139	8,317,276	11,627,962	8,634,126 (a)	
Total business-type activities	\$14,507,695	\$16,844,365	\$21,183,843	\$22,442,148	\$25,882,989
Primary government					
Net investment in capital assets	\$74,583,686	\$72,836,882	\$72,554,830	\$73,753,373	\$83,878,983
Restricted	9,526,306	9,830,463	9,772,879	12,287,584	16,047,736
Unrestricted	16,314,489	19,629,405	25,256,748	14,638 (a)	(9,680,086)
Total primary government	\$100,424,481	\$102,296,750	\$107,584,457	\$86,055,595	\$90,246,633
	As of June 30,				
	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$69,831,130	\$67,969,307	\$69,521,925	\$74,539,932	\$74,700,385
Restricted	11,714,283	24,061,436	24,039,737	26,494,396	29,925,106
Unrestricted	(188,113)	(12,213,657) (b)	(4,098,068)	(6,415,098)	(4,130,669)
Total governmental activities	\$81,357,300	\$79,817,086	\$89,463,594	\$94,619,230	\$100,494,822
Business-type activities					
Net investment in capital assets	\$6,439,038	\$5,536,183	\$3,453,035	\$4,445,755	\$3,971,403
Restricted	14,957,819	17,728,929	20,219,035	22,464,351	24,300,968
Unrestricted	8,602,110	9,913,265 (b)	13,315,730	16,112,774	21,229,648
Total business-type activities	\$29,998,967	\$33,178,377	\$36,987,800	\$43,022,880	\$49,502,019
Primary government					
Net investment in capital assets	\$76,270,168	\$73,505,490	\$72,974,960	\$78,985,687	\$78,671,788
Restricted	26,672,102	41,790,365	44,258,772	48,958,747	54,226,074
Unrestricted	8,413,997	(2,300,392) (b)	9,217,662	9,697,676	17,098,979
Total primary government	\$111,356,267	\$112,995,463	\$126,451,394	\$137,642,110	\$149,996,841

(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,			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
General government	\$5,112,255	\$5,353,940	\$5,592,651	\$5,244,211
Public safety	17,461,677	18,000,012	19,429,456	19,218,589
Highways and streets	2,899,431	3,242,496	3,412,713	3,340,232
Culture and recreation	4,200,332	4,275,013	4,530,410	5,018,290
Urban redevelopment	5,014,387	1,885,099	2,295,295	2,268,840
Interest on long term debt	1,131,762	68,175	37,019	24,850
Total Governmental Activities Expenses	<u>35,819,844</u>	<u>32,824,735</u>	<u>35,297,544</u>	<u>35,115,012</u>
Business-Type Activities:				
Sewer Collection	6,141,073	6,715,514	6,657,220	7,654,335
Sewer Treatment				
Storm drainage	1,171,429	1,338,902	1,236,911	1,446,650
Solid waste	308,251	469,298	459,967	223,392
Total Business-Type Activities Expenses	<u>7,620,753</u>	<u>8,523,714</u>	<u>8,354,098</u>	<u>9,324,377</u>
Total Primary Government Expenses	<u>\$43,440,597</u>	<u>\$41,348,449</u>	<u>\$43,651,642</u>	<u>\$44,439,389</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$4,538,452	\$4,463,544	\$4,601,332	\$4,937,130
Public Safety	988,002	1,152,475	1,177,218	1,143,332
Highways and streets	437,020	382,904	459,815	473,341
Culture and recreation	1,967,792	2,087,336	2,130,365	2,729,732
Urban redevelopment	2,434,761	2,560,400	3,069,625	3,627,765
Operating Grants and Contributions	2,422,365	1,636,424	1,817,345	2,042,316
Capital Grants and Contributions	1,853,706	874,168	519,254	411,980
Total Government Activities				
Program Revenues	<u>14,642,098</u>	<u>13,157,251</u>	<u>13,774,954</u>	<u>15,365,596</u>
Business-Type Activities:				
Charges for Services:				
Sewer Collection	9,422,274	10,086,878	11,290,621	11,905,392
Sewer Treatment				
Storm drainage	611,941	549,863	520,119	943,554
Solid Waste	710,295	781,612	867,710	458,337
Operating Grants and Contributions				
Capital Grants and Contributions				
Total Business-Type Activities				
Program Revenue	<u>10,744,510</u>	<u>11,418,353</u>	<u>12,678,450</u>	<u>13,307,283</u>
Total Primary Government				
Program Revenues	<u>\$25,386,608</u>	<u>\$24,575,604</u>	<u>\$26,453,404</u>	<u>\$28,672,879</u>
Net (Expense)/Revenue				
Governmental Activities	(\$21,177,746)	(\$19,371,771)	(\$21,522,590)	(\$19,749,416)
Business-Type Activities	3,123,757	64,404	4,324,352	3,982,906
Total Primary Government Net Expense	<u>(\$18,053,989)</u>	<u>(\$19,307,367)</u>	<u>(\$17,198,238)</u>	<u>(\$15,766,510)</u>

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
\$5,439,850	\$5,671,719	\$6,598,992	\$5,621,928	\$8,461,468	\$8,168,398
19,906,577	21,282,999	23,461,443	21,608,132	24,687,962	25,705,962
2,998,364	2,785,012	3,182,025	2,845,390	2,768,906	2,563,851
4,729,514	4,759,282	5,344,942	5,754,393	6,727,967	5,707,179
3,436,088	3,223,265	3,447,979	3,274,118	4,504,187	5,678,182
16,708	5,592	3,169	644	41,615	119,690
<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>	<u>47,943,262</u>
8,251,781	8,251,781	9,087,660	11,292,920	10,066,509	10,760,135
403,386	403,386	517,015	1,121,846	1,376,670	1,370,917
1,603,968	1,603,968	1,566,875	1,893,199	2,119,817	2,056,207
283,045	283,045	338,756	284,968	343,075	452,750
<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>14,640,009</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>	<u>\$62,583,271</u>
\$5,780,785	\$8,184,093	\$6,868,959	\$6,142,052	\$6,577,974	\$8,880,620
998,958	1,113,555	1,425,037	1,250,205	404,688	413,536
464,902	498,637	490,979	504,891	808,673	1,220,787
2,629,840	5,997,226	3,250,607	3,589,282	2,948,206	2,966,339
3,860,509	4,701,066	3,692,543	4,104,255	4,212,747	4,227,537
1,861,488	1,767,235	2,175,529	2,196,042	3,511,589	3,456,820
2,746,475	596,190	1,262,562	107,597	944,285	1,227,833
<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>	<u>22,393,472</u>
9,623,230	10,974,015	10,451,746	11,131,538	12,711,450	16,273,536
3,124,223	3,087,872	3,225,639	3,178,480	3,196,757	3,181,962
903,147	875,926	886,380	922,892	969,136	968,969
443,408	429,212	428,446	457,015	482,843	489,560
	37,862	23,408	15,650	98,099	
			1,708,952		
<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>20,914,027</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>	<u>\$43,307,499</u>
(\$18,184,144)	(\$14,869,867)	(\$22,872,334)	(\$21,210,281)	(\$27,783,943)	(\$25,549,790)
2,018,171	4,862,707	3,505,313	2,821,594	3,552,214	6,274,018
<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>	<u>(\$19,275,772)</u>

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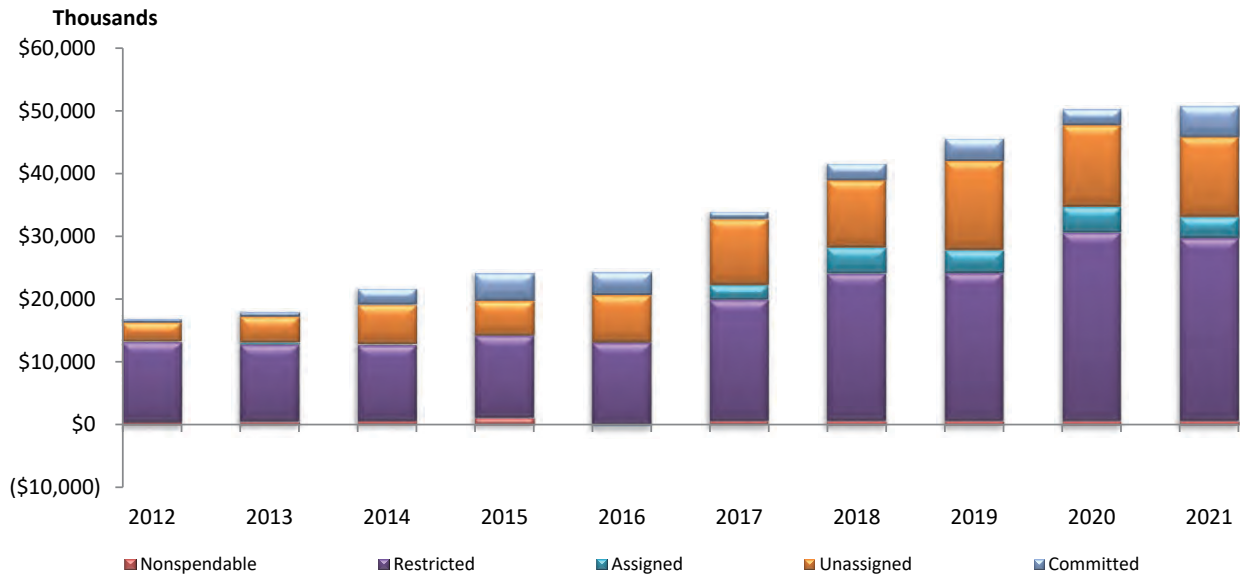
CITY OF BELMONT
CHANGES IN NET POSITION
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$10,439,407	\$10,918,478	\$11,864,792	\$13,134,287
Incremental property tax	4,681,674			
Sales taxes	2,672,956	2,792,298	2,831,248	3,085,607
Other taxes	2,738,707	3,017,599	3,260,000	3,487,040
Motor vehicle in lieu	1,973,958	1,941,735	2,168,184	2,474,536
Investment earnings and rentals	589,231	531,126	603,489	590,418
Miscellaneous/Gain on sale	105	1,847	1,743,106	3,803
Loss on disposal of capital assets				(39,381)
Equity in gains/(losses) of joint ventures				
Transfers				
Extraordinary items	9,338,566			
Total Government Activities	<u>32,434,604</u>	<u>19,203,083</u>	<u>22,470,819</u>	<u>22,736,310</u>
Business-Type Activities:				
Investment earnings	19,315	9,971	15,126	17,275
Miscellaneous				
Transfers		1,216		45,769
Total Business-Type Activities	<u>19,315</u>	<u>11,187</u>	<u>15,126</u>	<u>63,044</u>
Total Primary Government	<u>\$32,453,919</u>	<u>\$19,214,270</u>	<u>\$22,485,945</u>	<u>\$22,799,354</u>
Change in Net Position				
Governmental Activities	\$11,256,858	(\$168,688)	\$948,229	\$2,986,894
Business-Type Activities	3,143,072	75,591	4,339,478	4,045,950
Total Primary Government	<u>\$14,399,930</u>	<u>(\$93,097)</u>	<u>\$5,287,707</u>	<u>\$7,032,844</u>

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
\$14,132,122	\$15,527,210	\$16,894,686	\$18,038,474	\$19,236,918	\$20,132,097
3,613,991	3,882,588	5,134,206	5,543,213	5,128,787	5,969,774
3,957,259	3,927,717	4,039,400	4,916,495	5,177,005	2,693,563
2,436,212	2,619,042	2,786,304	2,987,318	3,076,967	1,943,403
540,269	588,798	981,525	1,713,215	1,680,176	280,325
6,263	3,663	89,454	238,833	7,550	727
			(2,580,759)		405,493
(437,270)				(1,367,824)	
<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>	<u>31,425,382</u>
77,370	104,041	489,367	975,602	1,115,042	126,076
57,142	118	36,854	12,227		79,045
437,270				1,367,824	
<u>571,782</u>	<u>104,159</u>	<u>526,221</u>	<u>987,829</u>	<u>2,482,866</u>	<u>205,121</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>	<u>\$31,630,503</u>
\$6,064,702	\$11,679,151	\$7,053,241	\$9,646,508	\$5,155,636	\$5,875,592
2,589,953	4,966,866	4,031,534	3,809,423	6,035,080	6,479,139
<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>	<u>\$12,354,731</u>

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

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



	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$374,379	\$504,390	\$568,336	\$1,130,963	
Restricted	132,495				
Assigned			1,377,103	2,327,624	\$1,507,974
Unassigned	4,577,830	5,696,079	6,258,460	5,590,065	7,540,974
Total General Fund	\$5,084,704	\$6,200,469	\$8,203,899	\$9,048,652	\$9,048,948
All Other Governmental Funds					
Restricted	\$12,670,731	\$12,218,243	\$12,090,398	\$13,099,710	\$13,099,725
Committed		258,684	104,039	5,644	(140,892)
Assigned	506,504	706,293	1,213,342	2,111,573	2,111,572
Unassigned	(1,509,215)	(1,550,397)		(146,538)	
Total all other governmental funds	\$11,668,020	\$11,632,823	\$13,407,779	\$15,070,389	\$15,070,405
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	\$627,500	\$641,355	\$641,115	\$641,273	\$639,099
Committed	251,184	1,879,332	2,903,606	2,101,292	3,751,162
Assigned					
Unassigned	10,500,188	10,683,682	14,204,643	12,995,874	12,759,010
Total General Fund	\$11,378,872	\$13,204,369	\$17,749,364	\$15,738,439	\$17,149,271 (a)
All Other Governmental Funds					
Restricted	\$19,239,022	\$23,400,819	\$23,504,778	\$30,017,035	\$29,119,357
Committed	936,200	784,403	658,745	443,069	1,190,051
Assigned	2,289,075	4,116,485	3,602,036	4,070,714	3,335,478
Unassigned					
Total all other governmental funds	\$22,464,297	\$28,301,707	\$27,765,559	\$34,530,818	\$33,644,886 (a)

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

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CITY OF BELMONT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

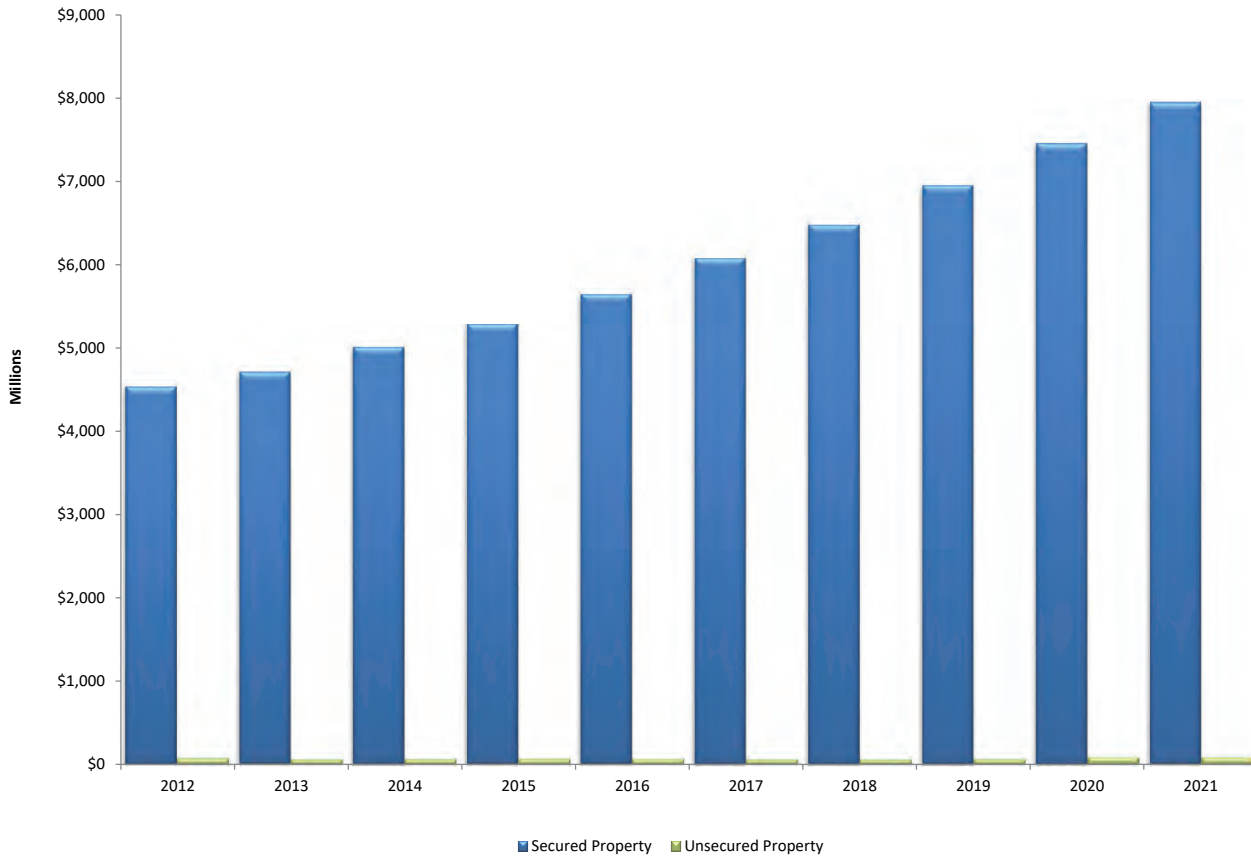
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Revenues				
Taxes	\$21,103,658	\$17,464,202	\$18,781,620	\$20,592,362
Licenses and permits	1,599,765	1,443,249	1,665,790	1,846,367
Fines and forfeitures	411,116	513,511	298,584	210,470
Use of money and property	439,248	394,871	420,581	585,120
Intergovernmental	6,426,997	4,569,617	4,594,173	5,098,802
Charges for current services	6,621,335	6,780,019	7,466,219	8,517,414
Miscellaneous	685,537	788,182	835,735	868,303
Total Revenues	37,287,656	31,953,651	34,062,702	37,718,838
Expenditures				
Current:				
General government	3,910,215	4,001,340	3,967,090	4,219,915
Public safety	16,284,197	17,261,172	18,527,071	19,146,371
Highways and streets	1,818,655	2,053,990	1,843,701	2,195,722
Culture and recreation	3,864,383	3,949,834	4,162,256	4,817,387
Urban redevelopment	4,402,467	1,817,983	1,949,465	2,522,957
Capital outlay	3,722,422	1,245,112	1,425,306	1,736,968
Debt service:				
Principal	1,192,547	213,581	97,907	451,490
Interest and fiscal charges	1,131,762	68,175	37,019	24,850
Total Expenditures	36,326,648	30,611,187	32,009,815	35,115,660
Excess (deficiency) of revenues over (under) expenditures	961,008	1,342,464	2,052,887	2,603,178
Other Financing Sources (Uses)				
Transfers in	1,873,574	1,512,645	1,458,800	2,859,034
Transfers (out)	(1,926,651)	(1,774,541)	(1,783,301)	(2,954,849)
Contributions/extraordinary item	(9,025,535)			
Proceeds from sale of capital assets			2,050,000	
Proceeds of debt issuance				
Total other financing sources (uses)	(9,078,612)	(261,896)	1,725,499	(95,815)
Net Change in fund balances	(\$8,117,604)	\$1,080,568	\$3,778,386	\$2,507,363
Debt service as a percentage of noncapital expenditures	7.0%	1.0%	0.4%	1.4%

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
\$22,462,269	\$24,901,868	\$27,919,446	\$30,101,322	\$32,173,339	\$33,671,449
2,085,424	2,800,954	2,317,393	2,026,047	2,156,235	3,421,169
234,582	168,763	216,183	164,265	160,211	170,105
599,818	759,981	1,228,596	1,947,782	2,070,593	1,021,749
5,496,855	4,819,712	4,975,667	5,611,404	6,106,124	1,677,393
8,574,373	14,587,389	9,890,785	10,296,325	10,012,330	12,337,351
1,387,317	937,673	2,069,817	609,958	236,306	1,411,931
<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>	<u>53,711,147</u>
4,300,780	4,955,053	5,151,403	5,563,535	6,251,896	6,894,135
19,872,825	21,056,427	22,788,288	25,312,692	24,684,871	25,665,084
1,814,166	1,909,799	1,935,535	2,115,327	2,312,159	2,361,710
4,525,998	5,038,819	5,274,846	5,766,923	5,897,618	5,414,402
3,442,355	3,495,988	3,358,362	3,362,011	4,400,315	5,491,628
3,390,421	3,828,413	1,382,112	5,316,611	8,912,121	6,569,459
55,316	57,641	60,064	30,972	292,385	548,310
16,708	5,592	3,169	644	41,615	119,690
<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>53,064,418</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>	<u>646,729</u>
1,984,813	1,697,887	5,931,220	2,671,111	4,740,278	2,355,020
(4,869,841)	(1,834,158)	(6,932,421)	(1,963,685)	(6,108,102)	(2,476,849)
686,750	8,000		13,033	6,000,000	
<u>(2,198,278)</u>	<u>(128,271)</u>	<u>(1,001,201)</u>	<u>720,459</u>	<u>4,632,176</u>	<u>(121,829)</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>	<u>\$524,900</u>
1.4%	0.2%	0.2%	0.1%	0.1%	1.4%

**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)			
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%	15.42%	1%
2021	7,946,879,729	7,946,879,729	85,078,190	85,078,190	8,031,957,919	8,031,957,919	100%	14.51%	1%

SOURCES: SAN MATEO COUNTY CONTROLLER

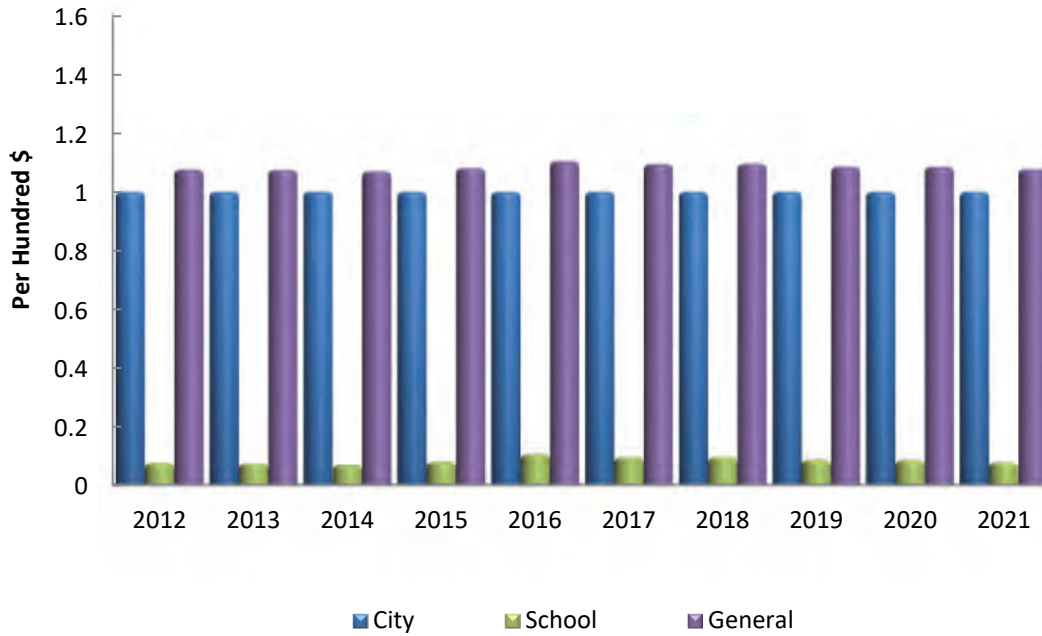
(a) Secured Property includes State Board Roll

(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>
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
2021	1.0000	0.0771	1.0771

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

**CITY OF BELMONT
PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2020-21</u>			<u>2011-12</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
600 Clipper Operating LLC	\$93,223,778	1	1.17%			
Westlake Gresham Center LLC	64,733,686	2	0.81%			
PMI Belmont II LLC	54,701,453	3	0.69%			
Belmont Hotels LLC	51,755,397	4	0.65%			
Crystal Springs Uplands School	50,421,844	5	0.63%			
Nikon Precision Inc.	42,730,708	6	0.54%	\$58,515,210	1	1.29%
PMI Belmont Glen LLC	41,884,101	7	0.53%			
Notre Dame High School	35,480,929	8	0.45%			
Oracle Corporation	34,680,010	9	0.44%	45,137,099	2	0.99%
College of Notre Dame	34,004,916	10	0.43%			
Hines VAF II 600 Clipper LP				38,000,000	3	0.84%
Prime Old County LP				28,942,742	4	0.64%
Essex Carlmont Woods Apartment LP				25,899,148	5	0.57%
ECI Two Belmont LLC				23,999,958	6	0.53%
Safeway Inc.				18,432,703	7	0.41%
Paradigm Healthcare LP				15,902,802	8	0.35%
Grand Prix Belmont LLC				15,544,451	9	0.34%
Essex Portfolio LP				15,408,054	10	0.34%
Subtotal	<u>\$503,616,822</u>		<u>6.34%</u>	<u>\$285,782,167</u>		<u>6.30%</u>

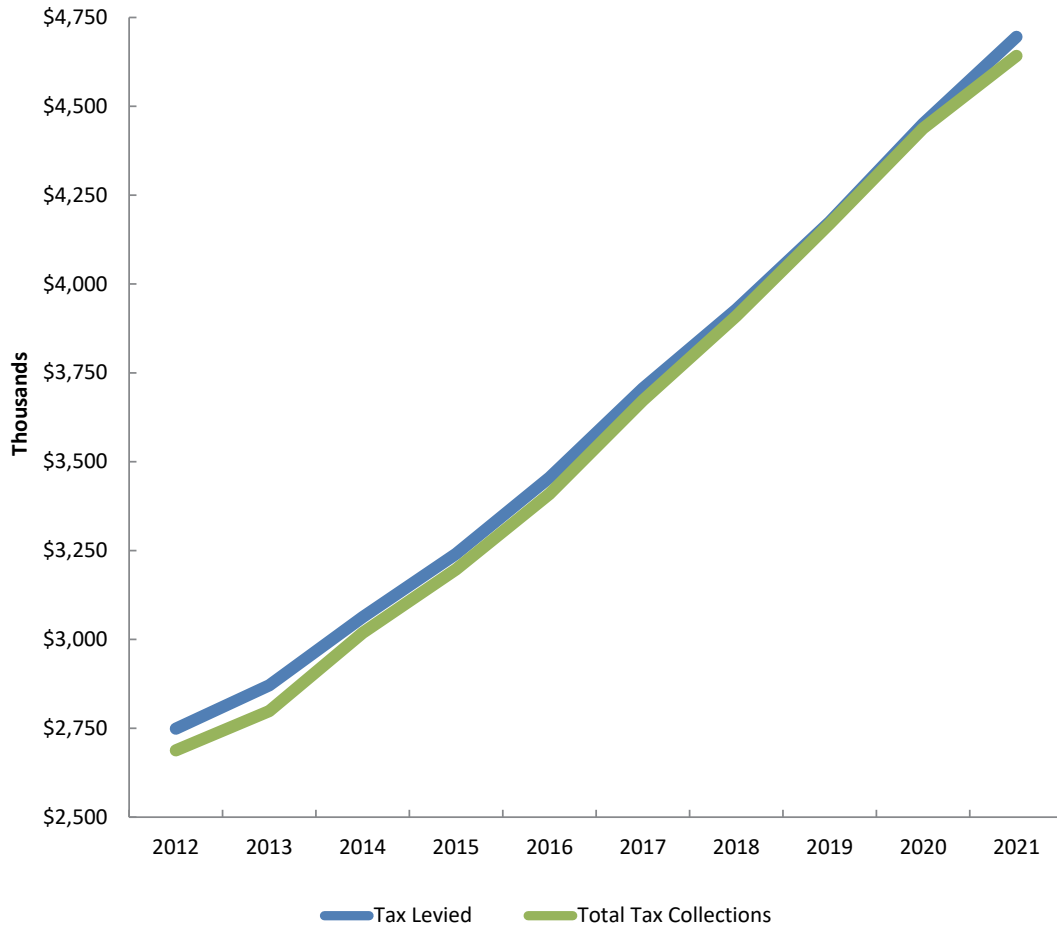
Total Net Assessed Valuation:

Fiscal Year 2020-21	\$7,946,879,729
Fiscal Year 2011-12	\$4,536,659,018

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
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%
2021	4,695,353	4,641,802	98.86%	4,641,802	98.86%

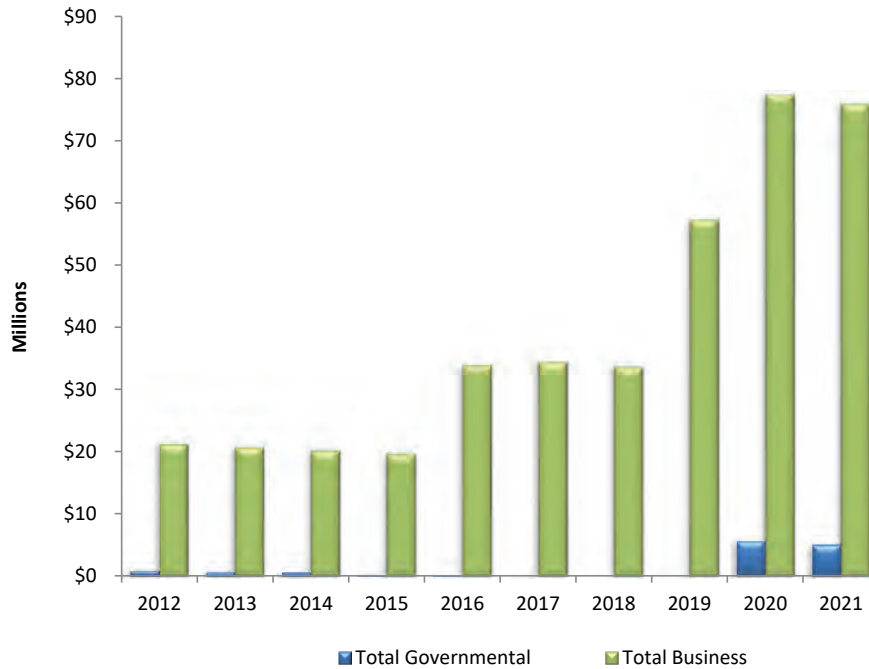
Source: (1) San Mateo County Controller.
(2) City of Belmont General Ledger

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	Leases and Notes	Total
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
2021	5,159,305	5,159,305

Business-Type Activities					
Fiscal Year	Sewer Revenue Bonds	Total	Total Primary Government	Percentage of Assessed Valuation (a)	Per Capita (a)
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
2021	75,851,407	75,851,407	81,010,712	1.01%	3,060.47

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, 2021

2020-21 Assessed Valuation

\$8,067,499,719

	Total Debt	% Applicable (1)	City's Share of Debt
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	June 30, 2021		June 30, 2021
City of Belmont	<u>\$5,159,305</u>	100.000%	<u>\$5,159,305</u>
Total Direct Debt	<u>\$5,159,305</u>		<u>\$5,159,305</u>
San Mateo Community College District	\$761,305,961	3.151%	\$23,988,751
Sequoia Union High School District	494,220,000	7.318%	36,167,020
Belmont-Redwood Shores School District	58,487,840	49.707%	29,072,551
Belmont-Redwood Shores School District Belmont School Facilities Improvement District	37,118,407	83.880%	31,134,920
Belmont-Redwood Shores School District Redwood Shores School Facilities Improvement District	19,380,000	7.693%	1,490,903
City of Belmont Community Facilities District No. 2000-1	<u>4,790,000</u>	100.000%	<u>4,790,000</u>
Total Overlapping Debt	<u>1,375,302,208</u>		<u>126,644,145</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$1,380,461,513</u>		<u>\$131,803,450</u>
OVERLAPPING GENERAL FUND DEBT:			
San Mateo County General Fund Obligations	\$487,114,345	3.151%	\$15,348,973
San Mateo County Board of Education Certificates of Participation	<u>6,840,000</u>	3.151%	<u>215,528</u>
TOTAL OVERLAPPING GENERAL FUND DEBT	<u>\$493,954,345</u>		<u>\$15,564,501</u>
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	<u>\$4,935,000</u>	100.000%	<u>\$4,935,000</u>
COMBINED TOTAL DEBT			<u>\$152,302,951 (2)</u>

(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, and mortgage revenue bonds.

RATIOS TO 2020-21 ASSESSED VALUATION:

Direct Debt	0.06%
Combined Direct Debt	1.89%
Total Net Direct and Overlapping Tax and Assessment Debt	1.63%

RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION (\$1,707,522,088):

Total Overlapping Tax Incremental Debt	0.29%
--	-------

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

June 30, 2021

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$8,067,499,719
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$302,531,239
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	\$0
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Amount of debt subject to limit	\$0
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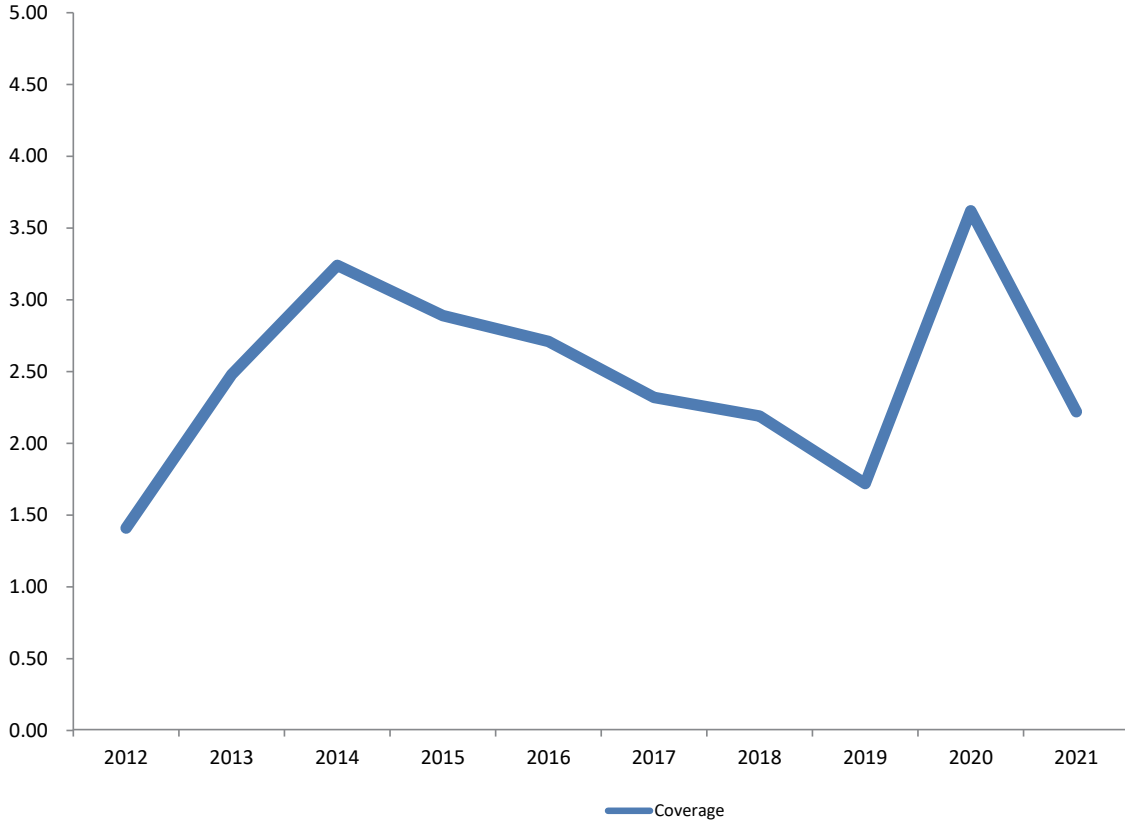
LEGAL BONDED DEBT MARGIN	\$302,531,239
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	\$172,842,923		\$172,842,923	
2013	178,916,858		178,916,858	
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	
2021	302,531,239		302,531,239	

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	
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
2021	12,572,930	7,257,702	5,315,228	735,000	1,662,471	2,397,471	2.22

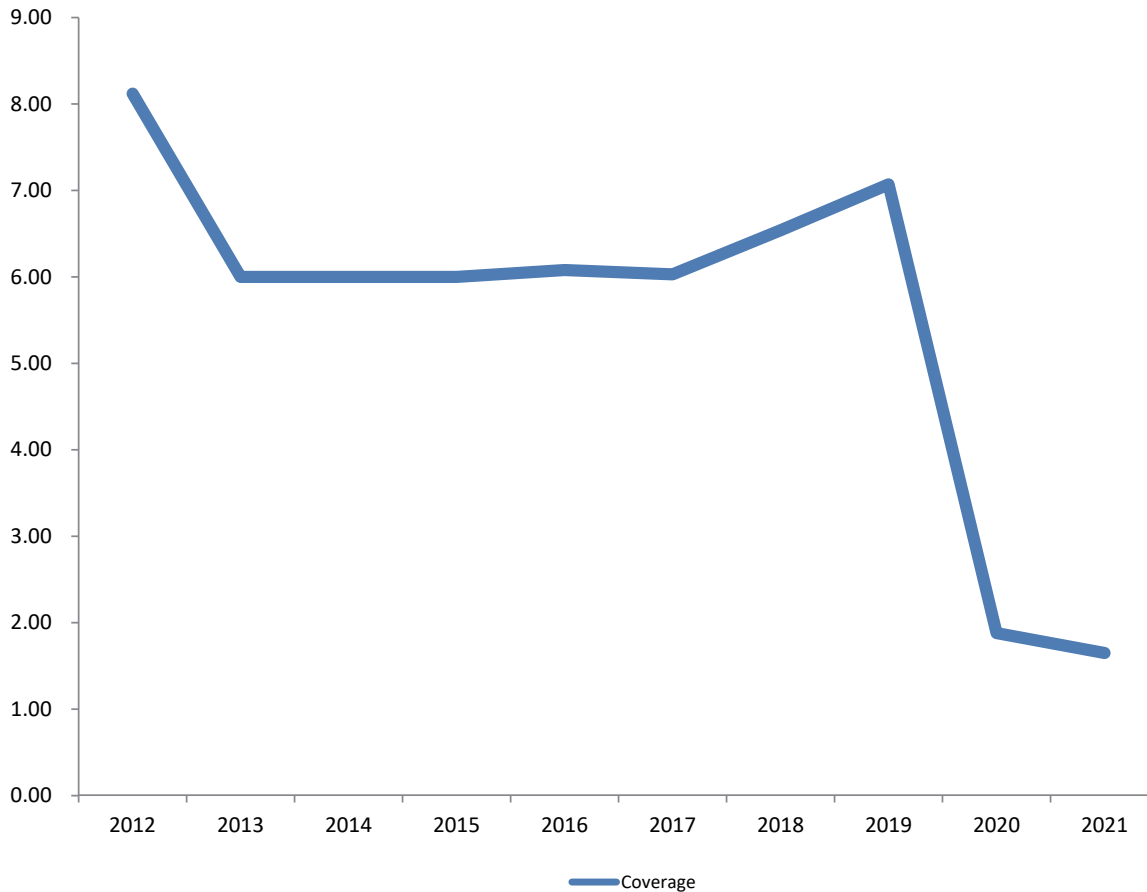
Notes:

- (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



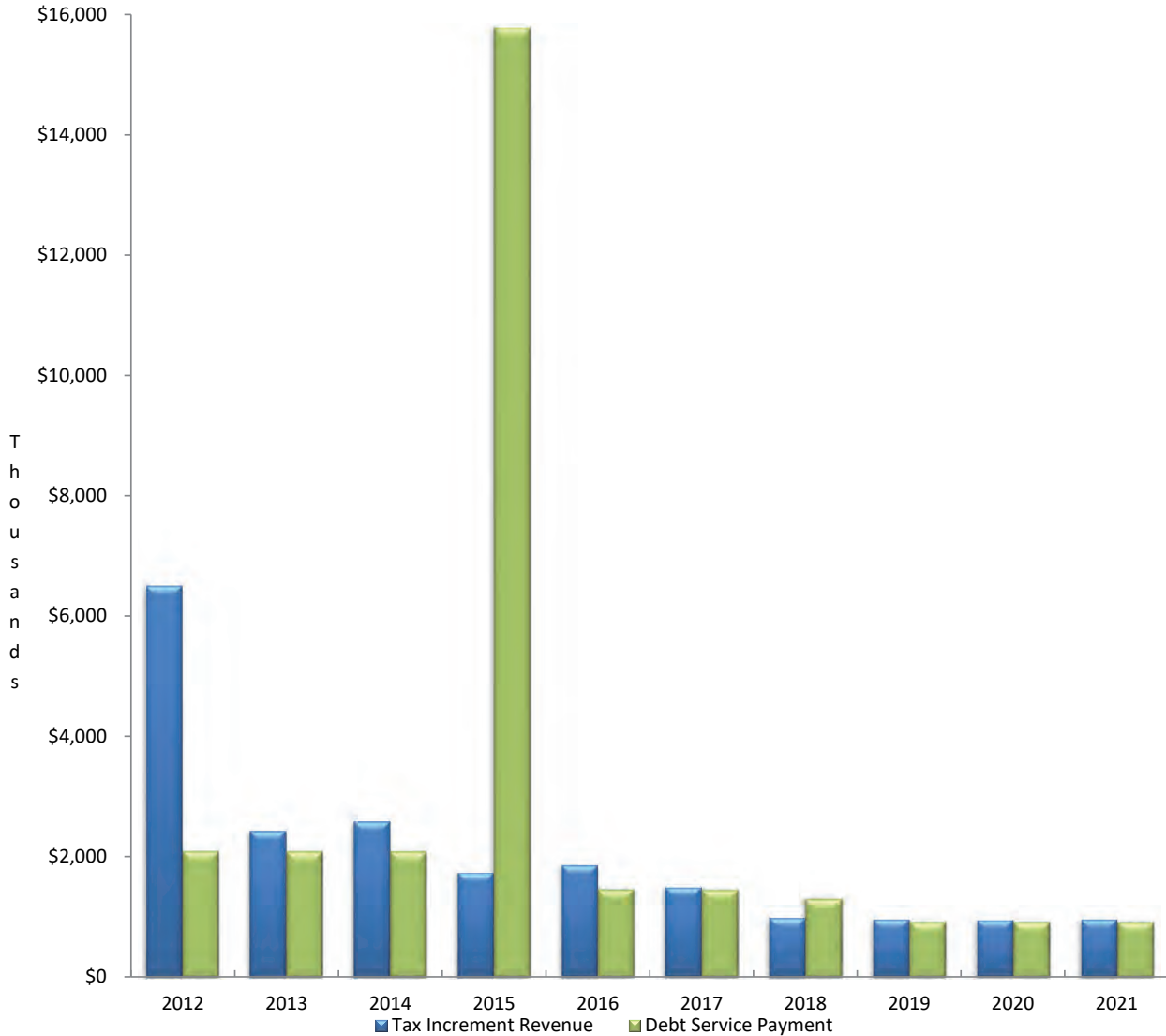
Fiscal Year	Sewer Treatment Facility		Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	Expenses		Principal	Interest	Total	
2012	\$3,061,696	\$201,006	\$2,860,690	\$0	\$352,132	\$352,132	8.12
2013	3,108,898	78,964	3,029,934	155,000	349,807	504,807	6.00
2014	3,111,925	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
2021	3,207,534	126,823	3,080,711	535,000	1,329,209	1,864,209	1.65

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	
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
2021	966,457	740,000	188,015	928,015	1.04

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,				
		2012	2013	2014	2015	2016
REVENUES						
Charges for services		\$6,153,537	\$6,851,049	\$8,054,697	\$8,413,152	\$9,092,502
Connection charges	(1)					428,116
Miscellaneous revenues (charges)		(9,168)	871	500	0	9,095
Interest revenue	(1)	17,358	8,605	11,726	12,711	75,252
Joint venture interest	(1)	(59,163)	(88,572)	(326,150)	(922,413)	(2,265,589)
Total Revenues		6,102,564	6,771,953	7,740,773	7,503,450	7,339,376
EXPENSES						
Personnel services		1,208,295	1,105,207	1,137,123	1,181,169	1,232,220
Supplies, materials and services		3,424,741	3,347,179	3,535,644	4,037,932	4,780,951
Sewer treatment services		168,137	158,820	204,549	0	
Interest expense	(1)	577,839	562,980	547,501	530,041	1,059,926
Total Expenses		5,379,012	5,174,186	5,424,817	5,749,142	7,073,097
Net Operating Transfers In (Out)	(1),(2)	(1,020,405)	(704,024)	(547,775)	(628,769)	(1,285,187)
NET REVENUES		(\$296,853)	\$893,743	\$1,768,181	\$1,125,539	(\$1,018,908)
Less adjustments		\$0	\$0	\$0	\$0	\$4,107,334
AMOUNTS AVAILABLE FOR DEBT SERVICE		(\$296,853)	\$893,743	\$1,768,181	\$1,125,539	\$3,088,426

	Notes	Fiscal Year Ended June 30,				
		2017	2018	2019	2020	2021
REVENUES						
Charges for services		\$9,413,671	\$10,311,885	\$10,850,538	\$12,468,348	\$12,572,930
Connection charges	(1)	1,503,782	60,125	49,272	60,124	3,603,551
Miscellaneous revenues (charges)		118		1,708,958	0	125
Interest revenue	(1)	90,353	388,306	481,193	632,309	86,058
Joint venture interest	(1)	(240,494)	(228,686)	(585,866)	(652,586)	(677,611)
Total Revenues		10,767,430	10,531,630	12,504,095	12,508,195	15,585,053
EXPENSES						
Personnel services		1,589,589	2,047,229	1,785,140	1,233,263	1,478,448
Supplies, materials and services		4,987,638	5,240,333	6,688,662	5,252,909	5,779,254
Sewer treatment services						
Interest expense	(1)	719,883	771,944	780,887	1,385,791	1,424,429
Total Expenses		7,297,110	8,059,506	9,254,689	7,871,963	8,682,131
Net Operating Transfers In (Out)	(1),(2)	(824,580)	(1,312,423)	0	(325,000)	(8,334)
NET REVENUES		\$2,645,740	\$1,159,701	\$3,249,406	\$4,311,232	\$6,894,588
Less adjustments (1), (2)		\$190,822	\$1,864,622	\$836,288	\$1,670,944	(\$1,579,235)
AMOUNTS AVAILABLE FOR DEBT SERVICE		\$2,836,562	\$3,024,323	\$4,085,694	\$5,982,176	\$5,315,353

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 2020-21 Revenues*</u>
Prime Old County LP	040-271-380	Multifamily Residential	\$245,009
McLellan Estate Co	040-290-320	Multifamily Residential	173,144
PMI Belmont II LLC	Various	Multifamily Residential	172,930
McLellan Estate Co	040-246-300	Multifamily Residential	129,199
Timberlane Apartments Partnership LP	045-373-150	Multifamily Residential	106,546
Crestview South Apartments LLC	040-261-370	Multifamily Residential	101,601
Spieker Richard Tod TR & Spieker Catherine Reilly TR	Various	Multifamily Residential	79,306
Carlmont Heights LLC	045-030-240	Multifamily Residential	72,302
Carlmont Village Shopping Center	Various	Shopping Center	69,867
City of Belmont	Various	Public	68,893

* 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
All Users	8,242	8,243	8,242	8,240	8,239
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
All Users	8,240	8,240	8,248	8,253	8,358

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

**SEWER SERVICE REVENUES BY CLASS OF USER
June 30, 2021**

<u>User Class</u>	<u>Revenue</u>	<u>Percent</u>
Single Family & Multiple Family Residential	\$11,051,159	87.90%
Commercial/Institutional	1,521,321	12.10%
Total Revenue	<u>\$12,572,480</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	2016-17	2017-18	2018-19	2019-20	2020-21
Sewer Treatment Facility Charges Revenue ^(A)	\$3,087,872	\$3,135,638	\$3,178,480	\$3,186,405	\$3,181,962
Debt Service Series 2009A Bonds	(500,232)	(500,056)	(499,732)	(506,481)	(505,436)
Debt Service Series 2018 Bonds				(1,399,250)	(1,397,250)
Surplus, after debt service	2,587,640	2,635,582	2,678,748	1,280,674	1,279,276
Debt Service Coverage Ratio	617.288%	627.057%	636.037%	167.201%	167.235%

Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26
Sewer Treatment Facility Charges Revenue ^(A)	\$3,142,679	\$3,205,532	\$3,269,643	\$3,335,036	\$3,401,737
Debt Service Series 2009A Bonds	(508,836)	(506,696)	(509,171)	(510,171)	(510,171)
Debt Service Series 2018 Bonds	(1,399,500)	(1,400,750)	(1,401,000)	(1,400,250)	(1,398,500)
Surplus, after debt service	1,234,343	1,298,086	1,359,472	1,424,615	1,493,066
Debt Service Coverage Ratio	164.682%	168.054%	171.170%	174.571%	178.225%

^(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, 2021

Bond Principal Outstanding - August 30, 2021 \$4,425,000

Balance Outstanding by Fund - August 1, 2021

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	869,462.47	640,425.00	1.36
2022	878,157.09	644,437.50	1.36
2023	886,938.67	642,012.50	1.38
2024	895,808.05	643,437.50	1.39
2025	904,766.13	643,425.00	1.41
2026	913,813.79	641,975.00	1.42
2027	922,951.93	644,087.50	1.43
2028	932,181.45	644,475.00	1.45
2029	941,503.27	643,137.50	1.46
2030	950,918.30	645,075.00	1.47
Total	\$23,994,129.08	\$17,038,702.00	1.41

Special Tax Levy Delinquency Rate - June 30, 2021 0.17% (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

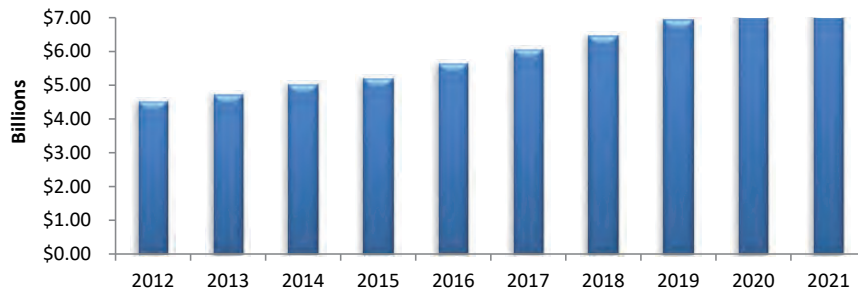
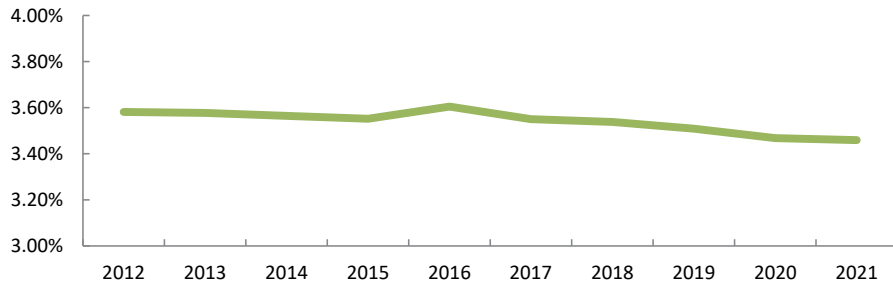
CDIAC

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
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%
2021	26,470	7,946,879,729	765,245	3.46%

	2010-2014 (a)	2008-2012	2006-2010	2005-2009
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

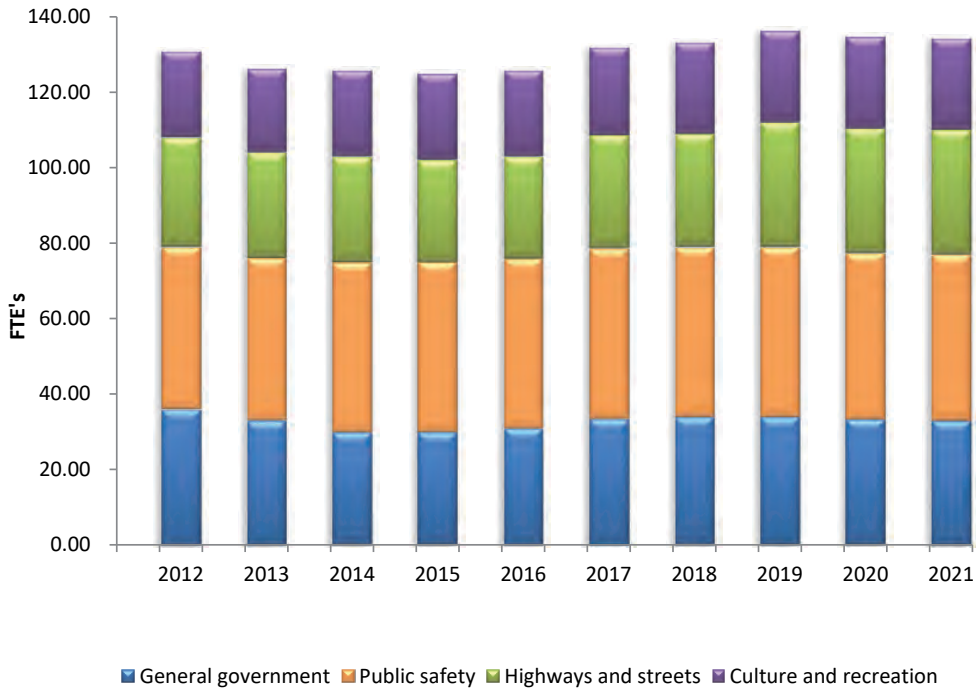
Fiscal 2020-2021		Fiscal 2011-2012	
Employer	Number of Employees	Employer	Range Number of Employees
RING CENTRAL, INC.	693	ORACLE AMERICA, INC.	730
AUTOBAHN MOTORS	129	CENGAGE LEARNING, INC.	294
SAFEWAY STORE #1138	112	SAFEWAY STORE	201
VOLKSWAGEN GROUP OF AMERICA ERL	109	NIKON PRECISION, INC.	141
NIKON PRECISION, INC.	95	AUTOBANH MOTORS	120
SILVERADO - BELMONT HILLS	95	CARLMONT GARDENS NURSING CENTER	110
LUNARDI'S MARKET	82	SILVERADO SR LIVING BELMONT HILLS	103
JAMES ELECTRONICS/LTD	62	JAMES ELECTRONICS/LTD	84
WOODMONT REAL ESTATE SERVICES	57	VINDICIA, INC.	75
MERRY MOPPET PRESCHOOL, INC.	55	LUNARDI'S MARKET	71

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	36.00	33.00	30.00	30.00	31.00	33.50	34.00	34.00	33.42	33.00
Public safety	43.00	43.00	45.00	45.00	45.00	45.00	45.00	45.00	44.00	44.00
Highways and streets	29.00	28.00	28.00	27.00	27.00	30.00	30.00	33.00	33.00	33.00
Culture and recreation	22.85	22.10	22.85	22.85	22.85	23.30	24.30	24.30	24.30	24.30
Total	130.85	126.10	125.85	124.85	125.85	131.80	133.30	136.30	134.72	134.30

Source: City of Belmont Budget

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

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Public safety:				
Belmont Fire Department (established October 1, 2011) (2)				
Fire calls for service	1,734	2,948	2,585	2,678
Annual Fire Inspections	192	302	838	125
New Business License Inspections	25	50	55	45
Plan Checks	35	27	122	133
Police:				
Police calls for service	29,489	28,887	30,087	30,426
Law violations:				
Part I crimes	529	555	495	340
Physical arrests (adult and juvenile)	539	448	575	546
Traffic violations (1)	4,697	4,190	1,360	1,535
Parking violations	2,362	2,332	2,732	3,351
Public works				
Street resurfacing (miles)	0	0	0	0
Culture and recreation:				
Community Services:				
Recreation class participants	33,680	35,145	39,605	39,715
Sewer				
Sewer Connections	7,648	7,648	7,653	7,663
Average daily treatment (millions of gallons) - City only	1.64	1.64	1.64	1.80
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	4	6	3	6

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

2016	2017	2018	2019	2020	2021
2,225	2,459	2,294	2,354	2,249	2,455
850	451	647	466	249	403
52	83	53	49	38	7
92	131	183	157	36	209
29,981	29,039	26,715	24,947	25,347	25,559
493	474	498	513	558	556
470	383	336	373	358	459
2,177	2,449	2,373	1,644	1,580	989
3,078	2,461	2,428	2,350	2,037	1,935
0	0	0	7	2	3
40,150	43,580	44,910	44,947	34,230	18,075
7,671	7,673	7,678	7,682	7,687	7,689
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
2	4	2	2	2	2

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

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30			
	2012	2013	2014	2015
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	1,465	1,465	1,465
Traffic Signals	12	17	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	29.16	29.16	29.16	29.16
Acres of open space	295.58	295.58	287.58	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

2016	2017	2018	2019	2020	2021
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	18	18	18
14	14	15	15	15	15
60.40	60.40	61.40	61.40	61.40	61.40
3	3	3	2	2	2
29.16	29.16	29.16	28.16	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 2020-2021. 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%
2021	1,838,302,558	1,702,703,288	10.22%

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%)
2021						966,457	966,457		1.00%

(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 2020-2021 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 2020-2021 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 \$429,198,897 which represents approximately 23.95% 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	FY20 - 21 Taxable Value (2)	Percentage of Total Secured Taxable Value of Project Area (1)
1 600 Clipper Operating LLC	Office	\$ 93,223,778	5.20%
2 Westlake Gresham Center LLC	Office	57,171,497	3.19%
3 Belmont Hotells LLC	Hotel	51,755,397	2.89%
4 Nikon Precision Inc.	Office	42,730,708	2.38%
5 Oracle Corporation	Office	34,680,010	1.93%
6 Prime Old County LP	Residential Multi-Family	33,962,654	1.89%
7 Grand Prix Belmont LLC	Hotel	33,534,623	1.87%
8 SRE California - 3 LLC	Retail	32,589,506	1.82%
9 875 Woodside LLC	Residential Multi-Family	25,599,518	1.43%
10 BPR Properties Belmont LLC	Hotel	23,951,206	1.34%
Total		<u>\$ 429,198,897</u>	<u>23.95%</u>
Secured taxable value		<u>\$1,792,288,007</u>	

(1) The secured taxable value of the Project Area for fiscal year 2020-2021 is \$1,792,288,207.

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, 2021, 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 18, 2021. 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, 2020, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated October 18, 2021, which is an integral part of our audit and should be read in conjunction with this report.

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 financial statements. 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 18, 2021, which is an integral part of our audit and should be read in conjunction with this report.

City's Response to Findings

The City's response to the findings identified in our audit is described in our separately issued Memorandum on Internal Control dated October 18, 2021, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 18, 2021