

**BEL MARIN KEYS
COMMUNITY SERVICES DISTRICT**

NOVATO, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Fund Balance Sheet with the Governmental Activities Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Net Change in Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds with the Statement of Activities	14
Notes to Basic Financial Statements	15-23
Required Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Measure D	25

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bel Marin Keys Community
Services District
Novato, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bel Marin Keys Community Services District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Bel Marin Keys Community Services District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. 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 our 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, we consider internal control relevant to Bel Marin Keys Community Services District'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 Bel Marin Keys Community Services District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bel Marin Keys Community Services District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and page 24-25, 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.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
April 12, 2017

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

This section of Bel Marin Keys Community Services District's (the District's) basic financial statements presents management's overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The information presented in this section should be considered in conjunction with that presented in the letter of transmittal and the notes to the financial statements.

Financial Highlights

The District's assets exceeded its liabilities by \$2,308,014 at June 30, 2016; this amount is identified as the District's net position.

The District's net position increased by \$557,033 from 2015 and this increase is the Change in Net Position of \$557,033 reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements are designed to give users a broad overview of the District's finances, in a manner similar to that of a private-sector business and are prepared on the full accrual basis, which means they measure the flow of all economic resources of the District as a whole. They provide a longer-term view of the District's activities and comprise of the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all of the District's assets and liabilities, with the net difference between the two reported as net position. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Statement of Net Position and the Statement of Activities presents information about the following:

Governmental Activities - The District's basic services are considered to be governmental activities. Its primary purpose, as a Community Services District established pursuant to the Government Code 61600, includes, but is not limited to: providing improvements and maintenance to the lagoons and perimeter levees, landscaping in the parks, vista areas and ends of cul-de-sacs, the water quality within the lagoons, the navigational locks, the fish screens and other waterway related assets located within the District service area. The District is primarily funded by taxes imposed on District residents and through Bond issues that have been approved by the residents.

Fund Financial Statements

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund. The Fund Financial Statements measure only current revenues and expenditures and fund balances. The Fund Financial Statements provide detailed information about the District's General Fund and each major fund.

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 not presented in the Governmental Fund Financial Statements.

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 15 of this report.

Required Supplementary Information

On page 24 and 25, the budget to actual comparison for the general fund and Measure D fund is presented as required supplementary information.

Financial Analysis of the District as a Whole

The District's net position at June 30, 2016 is \$2,308,014. The following table provides a summary of the District's net position:

Table 1 - Summary of Net Position
 June 30, 2016
Governmental Activities

	2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total
<u>Assets</u>				
Current assets	\$ 2,381,068	38%	\$ 2,256,999	37%
Capital assets, net of depreciation	<u>3,814,492</u>	<u>62%</u>	<u>3,885,086</u>	<u>63%</u>
Total assets	<u>6,195,560</u>	<u>100%</u>	<u>6,142,085</u>	<u>100%</u>
<u>Liabilities</u>				
Current liabilities	631,913	16%	593,313	14%
Long-term liabilities	<u>3,255,633</u>	<u>84%</u>	<u>3,797,791</u>	<u>86%</u>
Total liabilities	<u>3,887,546</u>	<u>100%</u>	<u>4,391,104</u>	<u>100%</u>
<u>Net Position</u>				
Net investment in capital assets	16,547	1%	-	0%
Restricted	1,869,995	81%	1,874,726	107%
Unrestricted (deficit)	<u>421,512</u>	<u>18%</u>	<u>(123,745)</u>	<u>(7%)</u>
Total Net Position	<u>\$ 2,308,014</u>	<u>100%</u>	<u>\$ 1,750,981</u>	<u>100%</u>

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The District maintains a current ratio of 4 to 1 at June 30, 2016 compared to 4 to 1 at June 30, 2015. These ratios illustrate the District's positive ability to pay its current obligations with current resources.

The District also reported positive balances in net position for the current year. Total net position increased by \$557,033 or 32% during the year.

Approximately 62% of the District's assets are invested in capital. The District's uses these capital assets to provide services to its citizens in providing maintenance of waterway, levee, locks, parks and other facilities within Bel Marin Keys. The portion of total assets that is capital has decreased slightly, from 63% to 62% from 2015 to 2016 as assets continue to be depreciated over their expected lives and the District disposes of idle capital assets.

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

The Statement of Activities presents general revenues, program revenues and expenses in detail. All of these are elements in the Change in Net Position of Governmental Activities summarized below.

Table 2 – Summary of Change in Net Position
 For the Year Ended June 30, 2016
Governmental Activities

	2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total
<u>Expenses</u>				
General Fund	\$ 591,944	51%	\$ 609,681	48%
Measure A	36,835	3%	1,788	0.1%
Measure D	389,204	34%	322,676	26%
Measure E and F expenditures	<u>140,387</u>	<u>12%</u>	<u>334,332</u>	<u>26%</u>
Total expenses	<u>1,158,370</u>	<u>100%</u>	<u>1,268,477</u>	<u>100%</u>
<u>Program Revenues</u>				
General Fund	<u>9,050</u>	<u>100%</u>	<u>5,885</u>	<u>100%</u>
Total program revenues	<u>9,050</u>	<u>100%</u>	<u>5,885</u>	<u>100%</u>
<u>General revenues</u>				
General Fund	496,989	29%	486,495	29%
Measure A	53,351	3%	52,126	3%
Measure D	469,739	28%	455,261	27%
Measure E and F	<u>686,274</u>	<u>40%</u>	<u>689,329</u>	<u>41%</u>
Total general revenues	<u>1,706,353</u>	<u>100%</u>	<u>1,683,211</u>	<u>100%</u>
Change in Net Position	<u>\$ 557,033</u>		<u>\$ 420,619</u>	

As Table 2 above shows, total General Fund expense was \$591,944 in fiscal year 2016, which decreased by \$17,737 compared to \$609,681 in fiscal year 2015. The increase in the General Fund expense was due mainly to the increase in service and supplies costs.

Total Measure A expense was \$36,835 in fiscal year 2016, which increased by \$35,047 compared to \$1,788 in fiscal year 2015. The increase in the Measure A expense was due mainly to the increase in expenditures for parks and open space.

Total Measure D expense was \$389,204 in fiscal year 2016, which increased by \$66,528 compared to \$322,676 in fiscal year 2015. The increase in the Measure D expense was due mainly to the decrease in maintenance and utilities and capital outlay expenses.

Total Measure E and F project expense was \$140,387 in fiscal year 2016, which decreased by \$193,945 compared to \$334,332 in fiscal year 2015. The decrease in the Measure E and F project expense was due mainly to the decrease in levee repair and maintenance and other project expenses.

Also as Table 2 above shows, program revenue was \$9,050 (1%) in fiscal year 2016 compared to \$5,885 (1%) in fiscal year 2015.

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

In fiscal year 2016, \$550,340 of the District's General Fund revenue came from property tax revenue, interest income and other income which increased by \$11,719 compared to \$538,621 in fiscal year 2015.

Measure A's general revenues come from sales tax revenue of \$53,351 in fiscal year 2016, which increased by \$1,225 compared to \$52,126 in fiscal year 2015. Measure A's general revenues are restricted for Measure A's parks and open space expenditures.

Measure D's general revenues consist of parcel taxes, interest income, investment income and other income of \$469,739 in fiscal year 2016, which increased by \$14,478 compared to \$455,261 in fiscal year 2015. Measure D's general revenues are restricted for Measure D expenditures

Measure E and F's general revenues consist of special tax revenue and interest income of \$686,274 in fiscal year 2016, which decreased by \$3,055 compared to \$689,329 in fiscal year 2015 and are restricted for debt service and project expenditures.

Analysis of the Governmental Funds

Table 3
Statement of Revenues, Expenditures, and Changes in Fund Balance

	2016	2015
<u>Revenues</u>		
General Fund	\$ 506,039	\$ 492,380
Measure A	53,351	52,126
Measure D	469,739	455,261
Measure E and F	686,274	689,329
Total revenues	1,715,403	1,689,096
<u>Expenditures</u>		
General Fund	408,838	377,535
Measure A	36,835	1,788
Measure D	347,513	265,323
Total expenditures	793,186	644,646
<u>Debt service and project costs</u>	(822,325)	(5,350,590)
<u>Other financing sources</u>	-	4,550,000
Excess of revenues over expenditures	\$ 99,892	\$ 243,860

General Fund revenues totaled \$506,039 in 2016, increased by \$13,659 in comparison with \$492,380 in the prior year due primarily to the increase in property tax income and parcel tax income.

Measure A revenues were \$53,351 in 2016, an increase of \$1,225 in comparison with \$52,126 in the prior year due mainly to the increase in Measure A revenue from sales tax.

Measure D revenues were \$469,739 in 2016, an increase of \$13,006 in comparison with \$455,261 in the prior year due mainly to the increase in parcel tax income and investment income.

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Measure E and F revenues were \$686,274 in 2016, a decrease of \$3,055 in comparison of \$689,329 received in 2015. Measure E and F revenues were special tax income received to pay for measure E and F bonds and projects costs.

General Fund expenditures were \$408,838 in 2016, an increase of \$31,303 in comparison with \$377,535 in the prior year due mainly to the increase in community center, maintenance and capital outlay.

Measure A expenditures were \$36,835 in 2016, an increase of \$35,047 in comparison with \$1,788 in the prior year due mainly to the increase in Measure A park expenses.

Measure D expenditures were \$347,513 in 2016, an increase of \$82,190 in comparison with \$265,323 in the prior year due mainly to the increase in waterway maintenance costs.

Debt service and project E and F expenditures were \$882,325 in 2016, a decrease of \$4,528,265 in comparison of \$5,350,590 paid in 2015. The significant amount of debt service expenditures in 2015 was due to the District's payoff of Measure E and F special tax bonds principals and refinancing those measure bonds with commercial term loans with Bank of Marin.

Other financing source was \$0 in 2016 compared to \$4,550,000. The significant amount of other financing source in 2015 was the loan proceeds of \$4,550,000 from Bank of Marin commercial term loans received in 2015.

Budgetary Highlights

Comparisons of Budget and Actual financial information are presented for the General Fund and Measure D in these financial statements. In the General Fund, actual revenue was \$154,020 higher than the budgeted amount. Total expenditures were \$71,725 higher than budgeted amounts. This was primarily due to capital outlay expenditures for building improvements that were not included in the budget as well as Measure A expenses, and maintenance costs for the projects completed during fiscal year 2015-2016.

In Measure D, actual revenue was \$28,332 higher than the budgeted amount due to more parcel taxes and investment income received in fiscal year 2015-2016. Total Measure D expenditures were \$107,949 higher than budgeted amounts. This was primarily due to an increase of expenditures for water circulation expenses, maintenance and capital outlay expenditures.

Capital Assets and Debt Administration

Capital Assets

The District's capital assets, net of accumulated depreciation decreased this year by \$70,594 to \$3,814,492 compared to \$3,885,086 in 2016. Most of the District's capital assets are projects completed and transferred from Measure D, E and F. The decrease is the net effect of capital asset additions of \$205,898 net with depreciation expense of \$276,492. While capital assets additions are the capital outlay expenditures in the Fund financial statements, they are recorded as an increase in the District's capital assets in the Government-wide financial statements. On the contrary, depreciation expenses are non-cash expenditures in the Government-wide financial statements that reduce the District's capital assets; they are not recorded as expenditures in the Fund financial statements. The composition of the District's capital assets is described in detail in Note 4 to the financial statements.

Bel Marin Keys Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Debt Administration

The District's long-term obligations consist of a lease-finance agreement between the District and PG&E and two commercial term loans with Bank of Marin in the District's name to finance Measure E and Measure F Special tax bonds for the District's marine facilities No. 2014-1 and 2014-2. The PG&E loan balance was \$26,354 in 2016 and \$29,989 in 2015. The commercial term loans with Bank of Marin balance was \$3,771,591 in 2016 and \$4,295,691 in 2015.

The District's long-term debts decreased this year by \$527,735 due to a \$3,635 payment on the PG&E loan and a \$524,101 payment on the commercial term loans with Bank of Marin.

The District made all scheduled repayments of existing debt. The District's debt issues are discussed in detail in Note 6 to the financial statements

Economic Outlook

The economic condition of the District as it appears on the balance sheet reflects financial stability. District management remains committed to sound fiscal management practices in its delivery of excellent service to the residents of the District.

Contacting the District's Financial Management

This Annual Financial Report is intended to provide District residents, granting agencies and the general public with a general overview of the District's finances. Questions about this report should be directed to Bel Marin Keys Community Services District, at 4 Montego Key, Novato, CA 94949.

Bel Marin Keys Community Services District

STATEMENT OF NET POSITION

June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 523,271
Restricted cash	1,103,588
Investments	730,567
Accounts receivable	11,375
Prepaid expense	<u>12,267</u>
Total current assets	<u>2,381,068</u>
Capital assets:	
Non-depreciable	916,487
Depreciable, net of accumulated depreciation	<u>2,898,005</u>
Total non-current assets	<u>3,814,492</u>
Total assets	<u>6,195,560</u>
<u>LIABILITIES</u>	
Accounts payable	51,231
Compensated absences	3,288
Deposits and other liabilities	35,082
Non-current liabilities:	
Due within one year	
PG&E loan	3,635
Measure E and F loans	538,677
Due in more than one year	
PG&E loan	22,719
Measure E and F loans	<u>3,232,914</u>
Total liabilities	<u>3,887,546</u>
<u>NET POSITION</u>	
Net Investment in capital assets	16,547
Restricted for:	
Debt service	1,012,903
Measures and project costs	864,515
Unrestricted	<u>414,049</u>
Total net position	<u>\$ 2,308,014</u>

The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenues and Changes in Net Position
<u>Expenses</u>	Charges for Services	Operating Grants & Contributions	Capital & Contributions	Governmental Activities	
Governmental Activities:					
General Fund					
Service and supplies	\$ 337,534	\$ -	\$ 100	\$ -	\$ (337,434)
Committee expenses	11,618	-	-	-	(11,618)
Community center	23,455	8,950	-	-	(14,505)
Depreciation expense	219,337	-	-	-	(219,337)
Measure A expenditures	36,835	-	-	-	(36,835)
Measure D expenditures	389,204	-	-	-	(389,204)
Measure E and F project expenditures	140,387	-	-	-	(140,387)
Total governmental activities	\$ 1,158,370	\$ 8,950	\$ 100	\$ -	\$ (1,149,320)

General revenues:

Taxes

Property taxes	\$ 1,126,693
Parcel taxes	463,123
Measure A revenue (Sales taxes)	53,351
ERAF income	39,383
HOPTR tax income	2,393
Investment income	6,950
Other revenue	14,460
Total general revenues	1,706,353

Change in net position 557,033

Net position, beginning of period 1,750,981

Net position, end of period \$ 2,308,014

The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
BALANCE SHEET
 Governmental Funds
 June 30, 2016

	General	Measure A	Measure D	Debt Service - PG&E	Project Fund I (Loan 2014-1)	Project Fund II (Loan 2014-2)	Total Governmental Funds
<u>ASSETS</u>							
Cash and cash equivalents	\$ 523,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523,271
Restricted cash	538	79,165	316,496	-	215,518	491,871	1,103,588
Investments	-	-	480,567	-	-	250,000	730,567
Accounts receivable	11,375	-	-	-	-	-	11,375
Due from (to) other funds	(48,843)	-	19,683	-	9,675	19,485	-
Prepaid expense	12,267	-	-	-	-	-	12,267
Total assets	<u>\$ 498,608</u>	<u>\$ 79,165</u>	<u>\$ 816,746</u>	<u>\$ -</u>	<u>\$ 225,193</u>	<u>\$ 761,356</u>	<u>\$ 2,381,068</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 19,835	\$ -	\$ 31,396	\$ -	\$ -	\$ -	\$ 51,231
Compensated absences	3,288	-	-	-	-	-	3,288
Deposits and other liabilities	35,082	-	-	-	-	-	35,082
Total liabilities	<u>58,205</u>	<u>-</u>	<u>31,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,601</u>
<u>FUND BALANCES</u>							
Assigned for debt service	26,354	-	-	-	225,193	761,356	1,012,903
Assigned for measures and projects	-	79,165	785,350	-	-	-	864,515
Unassigned	414,049	-	-	-	-	-	414,049
Total fund balances	<u>440,403</u>	<u>79,165</u>	<u>785,350</u>	<u>-</u>	<u>225,193</u>	<u>761,356</u>	<u>2,291,467</u>
Total liabilities and fund balances	<u>\$ 498,608</u>	<u>\$ 79,165</u>	<u>\$ 816,746</u>	<u>\$ -</u>	<u>\$ 225,193</u>	<u>\$ 761,356</u>	<u>\$ 2,381,068</u>

The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
 Reconciliation of the
GOVERNMENTAL FUND - BALANCE SHEET
 with the Governmental Activities
STATEMENT OF NET POSITION
 For the Fiscal Year Ended June 30, 2016

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUND	\$	2,291,467
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Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Fund 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 Fund.

3,814,492

LONG-TERM LIABILITIES

The liabilities below are not due and payable in the current period and therefore are not reported in the Fund Financial Statements.

Long-term debt

(3,797,945)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,308,014

The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
 Governmental Funds
 For the Year Ended June 30, 2016

	General	Measure A	Measure D	Debt Service - PG&E	Project Fund I (Loan 2014-1)	Project Fund II (Loan 2014-2)	Total Governmental Funds
Revenues:							
Taxes	\$ 482,351	\$ 53,351	\$ 463,123	\$ -	\$ 227,643	\$ 458,475	\$ 1,684,943
Investment income	178	-	6,616	-	51	105	6,950
Other revenue	23,510	-	-	-	-	-	23,510
Total revenues	<u>506,039</u>	<u>53,351</u>	<u>469,739</u>	<u>-</u>	<u>227,694</u>	<u>458,580</u>	<u>1,715,403</u>
Expenditures:							
Current							
Community center	23,455	-	-	-	-	-	23,455
Committee expenses	11,618	-	-	-	-	-	11,618
Parks and open space	-	36,835	-	-	-	-	36,835
Insurance	11,567	-	-	-	-	-	11,567
Maintenance	97,990	-	139,216	-	-	-	237,206
Payroll	118,076	-	-	-	-	-	118,076
Professional fees	48,194	-	12,103	-	-	-	60,297
Utilities	23,919	-	5,594	-	-	-	29,513
Professional dues	4,165	-	5,376	-	-	-	9,541
Office expense	10,397	-	-	-	-	-	10,397
Other expense	23,226	-	42,789	-	-	-	66,015
Capital outlay	36,231	-	15,465	-	-	-	51,696
Measure D							
Dredging	-	-	5,406	-	-	-	5,406
Water circulation	-	-	109,940	-	-	-	109,940
Locks	-	-	11,624	-	-	-	11,624
Waterway management	-	-	-	-	-	-	-
Project I and II							
Levee repairs project costs	-	-	-	-	154,202	-	154,202
Other project costs	-	-	-	-	13,615	14,747	28,362
Debt service:							
Loan principal repayment	-	-	-	3,635	167,011	357,090	527,736
Loan interest expense	-	-	-	-	35,639	76,386	112,025
Total expenditures	<u>408,838</u>	<u>36,835</u>	<u>347,513</u>	<u>3,635</u>	<u>370,467</u>	<u>448,223</u>	<u>1,615,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,201</u>	<u>16,516</u>	<u>122,226</u>	<u>(3,635)</u>	<u>(142,773)</u>	<u>10,357</u>	<u>99,892</u>
Other financing sources (uses):							
Transferred in	-	-	-	3,635	-	-	3,635
Transferred out	(3,635)	-	-	-	-	-	(3,635)
Total other financing sources (uses)	<u>(3,635)</u>	<u>-</u>	<u>-</u>	<u>3,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	93,566	16,516	122,226	-	(142,773)	10,357	99,892
Fund balances at beginning of period	<u>346,837</u>	<u>62,649</u>	<u>663,124</u>	<u>-</u>	<u>367,966</u>	<u>750,999</u>	<u>2,191,575</u>
Fund balances at end of period	<u>\$ 440,403</u>	<u>\$ 79,165</u>	<u>\$ 785,350</u>	<u>\$ -</u>	<u>\$ 225,193</u>	<u>\$ 761,356</u>	<u>\$ 2,291,467</u>

The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
 Reconciliation of the
NET CHANGE IN STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 with the
STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2016

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Fund 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 FUND	\$	99,892
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay expenditures are therefore added back to fund balance.		205,898
Depreciation expense is deducted from the investment in capital assets		(276,493)

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 the governmental funds (net change):

PG&E loan principal repayment		3,635
Measure E & F loan principal repayment		<u>524,101</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>557,033</u>
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The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - DESCRIPTION OF BEL MARIN KEYS COMMUNITY SERVICES DISTRICT

Bel Marin Keys Community Services District (the District) is a separate governmental unit established in 1961 under California Government Code 61600 and covers 3,200 acres of Bel Marin Keys, an unincorporated residential community in northern Marin County, adjacent to the City of Novato. The District maintains the parks and public areas, contracts for street lighting and controls and maintains the lagoons, levee and navigational locks. The District maintains a full-time manager, and is governed by a five-person Board of Directors, elected by the citizens of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A. The financial statements have incorporated all applicable GASB pronouncements.

A. Reporting Entity

The District is governed by an elected Board of Directors that exercises the powers allowed by state statutes. For financial reporting purposes, the District has included only the District's funds in its basic financial statements. The District has no component units for which the District is financially accountable. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, the District.

B. Basis Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level.

Government-wide Financial Statements

The District's financial statements reflect only its own activities; it has no component units (other government units overseen by the District). The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The governmental activities of the District are primarily financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District'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 grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all tax revenue, are presented as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. The District has the General Fund, which accounts for the District activities; Measure D Special Revenue Fund which accounts for the waterway's activities; and Debt Service Funds for Measure E and F which account for the marine facilities of the Community Facilities District No. 2014-1 and 2014-2.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The government-wide 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 District 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. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property tax, certain charges for services and interest revenue. The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

D. Budgets

The District’s budget, as included in these financial statements, represents the budget approved by the Board of Directors. The adopted budget is made for the organization as a whole. The District uses the same basis of accounting for budget and financial statement purposes. All appropriations lapse at year-end. General Fund expenditures exceeded appropriations by \$71,725. Measure D expenditures exceeded appropriations for the Measure D fund by \$107,949, both of which were mainly due to under budget of capital outlay expenditures and unexpected maintenance projects. Measure A’s budgeted revenue and expenditures were included in the General Fund. The District did not adopt a separate budget for Measure A.

E. Restricted Assets

Cash and investments that may only be used for construction of capital assets, special projects or debt service principal and interest payments in accordance with applicable laws and regulations have been reported as restricted cash and investments on the government-wide Statement of Net Position.

F. Capital Assets

Expenditures from governmental funds for the acquisition or replacement of equipment are charged to current operations in the period acquired. On an entity-wide basis, capital assets are capitalized and depreciated over their useful lives. The useful life of District capital assets ranges from 3 to 40 years. Depreciation is calculated on a straight-line basis. District policy has set the capitalization threshold for reporting capital assets at \$5,000.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences

Beginning October 2004, with the revision of the Employee Handbook, the District provided its employees with 10 days of vacation per year for the first 2 years of employment and 15 days per year after 2 years of employment. The employee is allowed to accrue a maximum of 160 hours of vacation time. In addition, the employees accrue 6 days of sick leave per year with no maximum on the amount that may be accrued.

H. Net Position

The Statement of Net Position breaks out net position as follows:

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position that is not restricted from use.

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

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Fund Balance

The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Fund Balance (concluded)

Committed fund balance includes amounts where use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

J. Property Taxes

The County of Marin levies taxes and places liens on real property as of January 1 on behalf of the District. Secured property taxes are due the following November 1 and March 1 and become delinquent April 10 and December 10, for the first and second installments, respectively. Unsecured property taxes are levied throughout the year.

K. Sales Taxes

The District received an allocation of sales tax from County of Marin to be used for pet stations, Montego Park Irrigation, and for park, playground and picnic area improvements. The District maintains Measure A funds in a separate bank account and restricted Measure funds are to be used for the above specific projects only.

L. Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that will affect the reported amounts of assets and liabilities, the 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 amounts could differ from those estimates.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 3 - CASH AND INVESTMENTS

The District has a written investment policy, approved by the Board of Directors. The District also has an investment committee, which performs regulatory oversight for its investments as required by California Government Code Section 27134.

The District's investment policy authorizes the District Manager to invest in:

- Obligations of the U.S. Treasury, its agencies and instrumentalities;
- Certificates of deposit;
- Commercial paper rated in the highest short-term rating category by any Rating Agency, bankers' acceptances, obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000 and rated A or better by any Rating Agency;
- Money market funds;
- Investment Agreements.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

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

Governmental Funds:

	2016	2015
Cash on deposit:		
Cash – General Fund	\$ 523,271	\$ 437,741
	523,271	437,741
Restricted cash:		
Cash restricted for measure A and capital improvement projects	79,703	63,185
Cash restricted for Measure D	316,496	475,160
Cash restricted for Measure E and F	707,389	1,136,217
Total restricted cash	1,103,588	1,674,562
Investments:		
Investments restricted for Measure D	480,567	132,751
Investments restricted for Measure E and F projects	250,000	-
Total restricted investments	730,567	132,751
Total governmental fund cash and investments	\$ 2,357,426	\$ 2,245,054

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 - CASH AND INVESTMENTS (continued)

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

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that in the event of the failure of a counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensibility of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensibility of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2016 and 2015:

Investment Type	Carrying Amount	2016			
		Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Held by a bank:					
Money market accounts	\$ 21,038	\$ 21,038	\$ -	\$ -	\$ -
Mutual funds	709,529	709,529	-	-	-
Total	\$ 730,567	\$ 730,567	\$ -	\$ -	\$ -

Investment Type	Carrying Amount	2015			
		Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Held by a bank:					
Money market accounts	\$ 12,286	\$ 12,286	\$ -	\$ -	\$ -
Mutual funds	120,465	120,465	-	-	-
Total	\$ 132,751	\$ 132,751	\$ -	\$ -	\$ -

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 - CASH AND INVESTMENTS (concluded)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. That is measured by the assignment of rating by a nationally recognized rating organization. Presented below is the minimum rating required by the California Government Code, and the actual rating as of fiscal year-end for each investment type at June 30, 2016 and 2015:

<u>Fiscal year 2015-2016</u>		Minimum Legal Rating	Exempt From Disclosure	<u>Rating as of Fiscal Year End</u>		
<u>Investment Type</u>	<u>Carrying Amount</u>			<u>AAA</u>	<u>Other</u>	<u>Not Rated</u>
Held by a bank:						
Money market	\$ 21,038	N/A	\$ -	\$ -	\$ -	\$ 21,038
Mutual funds	<u>709,529</u>	N/A	-	-	<u>709,529</u>	-
Total	<u>\$ 730,567</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 709,529</u>	<u>\$ 21,038</u>
<u>Fiscal year 2014-2015</u>		Minimum Legal Rating	Exempt From Disclosure	<u>Rating as of Fiscal Year End</u>		
<u>Investment Type</u>	<u>Carrying Amount</u>			<u>AAA</u>	<u>Other</u>	<u>Not Rated</u>
Held by a bank:						
Money market	\$ 12,286	N/A	\$ -	\$ -	\$ -	\$ 12,286
Mutual funds	<u>120,465</u>	N/A	-	-	<u>120,465</u>	-
Total	<u>\$ 132,751</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,465</u>	<u>\$ 12,286</u>

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the period ended June 30, 2016 is as follows:

	Balance 6/30/15	Additions	Transfers	Balance 6/30/16
Capital assets not being depreciated:				
Land	\$ 880,256	\$ -	\$ -	\$ 880,256
Construction in progress	-	<u>36,231</u>	-	<u>36,231</u>
Total non-depreciable assets	<u>880,256</u>	<u>36,231</u>	-	<u>916,487</u>
Capital assets being depreciated:				
Buildings and improvements	5,725,941	169,667	-	5,895,608
Equipment	2,087,125	-	-	2,087,125
Furniture	<u>17,272</u>	-	-	<u>17,272</u>
Total depreciable assets	<u>7,830,338</u>	<u>169,667</u>	-	<u>8,000,005</u>
Capital asset totals	<u>8,710,594</u>	<u>205,898</u>	-	<u>8,916,492</u>
Accumulated depreciation	<u>(4,825,508)</u>	<u>\$ (276,493)</u>	<u>\$ -</u>	<u>(5,102,001)</u>
Capital assets, net of accumulated depreciation	<u>\$ 3,885,086</u>			<u>\$ 3,814,491</u>

Depreciation expense for the year was \$276,493.

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 - COMPENSATED ABSENCES

Employee vacation benefits earned, but not used, are recognized as liabilities of the District. Total compensated absences payable currently reported as accounts payable was \$3,288 and \$4,142 as of June 30, 2016 and 2015, respectively.

NOTE 6 - LONG-TERM DEBT

In 2013 the District financed a LED Streetlight retrofit in the amount of \$36,351 with PG&E. The District is committed to make monthly principal and interest payments of \$303 through January 2023, pursuant to an agreement with PG&E.

As of June 30, 2016, the District is obligated for the following payments:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,635	\$ -	\$ 3,635
2018	3,635	-	3,635
2019	3,635	-	3,635
2020	3,635	-	3,635
2021	3,635	-	3,635
Thereafter	<u>8,179</u>	-	<u>8,179</u>
Total	<u>\$ 26,354</u>	<u>\$ -</u>	<u>\$ 26,354</u>

On September 1, 2014, the District refinanced Measure E and Measure F existing Special tax bonds related to CFD No 2001-1 (Marine Facilities Improvements) and CFD No. 2001-2 (Dredging and Marine Improvements) with two commercial term loans from Bank of Marin; loan 2014-1 in the amount of \$1,449,490 and loan 2014-2 in the amount of \$3,100,510. The loan terms are 8-year fixed and maturity is on 9/1/2022. The interest rate on these loans is at the tax-exempt rate of 2.64% (tax equivalent of 4%) and interest is accrued daily on the simple interest basis of a 365/360 day year.

Principal and interest payments will be payable in semi-annual installments in the approximate amount of \$101,318 on loan 2014-1 and \$216,722 on loan 2014-2 based on an 8-year amortization at 2.64% with all accrued interest and unpaid principal payable at maturity.

These loans are collateral with first pledge of revenue related to CFD No. 2001-1 (Marine Facilities Improvements) and CFD No. 2001-2 (Dredging and Marine Improvements) and first pledge of Reserve Fund related to CFD No. 2001-1 (Marine Facilities Improvements) and CFD No. 2001-2 (Dredging and Marine Improvements). Loan activities will continue to be reported to the State annually via NBS Government Finance Group, Inc.

As of June 30, 2016, the District is obligated for the following payments:

<u>Year Ending June 30</u>	<u>Loan 2014-1</u>	
	<u>Principal</u>	<u>Interest</u>
Current portion	\$ 171,606	\$ 31,029
2018	176,230	26,405
2019	180,979	21,657
2020	185,813	16,823
2021	190,862	11,773
2022-2023	<u>296,023</u>	<u>7,979</u>
Total	<u>\$ 1,201,513</u>	<u>\$ 115,666</u>

Bel Marin Keys Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 - LONG-TERM DEBTS (concluded)

<u>Year Ending June 30</u>	Loan 2014-2	
	Principal	Interest
Current portion	\$ 367,071	\$ 66,373
2018	376,962	56,482
2019	387,120	46,325
2020	397,460	35,985
2021	408,261	25,184
2022-2023	633,204	17,068
Total	\$ 2,570,078	\$ 247,417

Interest expense paid for loan 2014-1 and 2014-2 for the years ended June 30, 2016 was \$35,639 and \$76,386, respectively.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters for which the District carries commercial insurance.

NOTE 8 - PENSION PLAN

The District has a pension plan in the form of a SIMPLE IRA. The District makes a contribution for qualified employees to the plan. Employees who are over 21 years of age are eligible. The total contributions paid by the District for the year were \$2,404.

Bel Marin Keys Community Services District
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Required Supplementary Information
 Budget and Actual - General Fund (Unaudited)
 For the Year Ended June 30, 2016

	<u>Original and</u>	<u>Actual</u>	<u>Variance</u> <u>With</u> <u>Final Budget</u>
	<u>Final Budget</u>		<u>Final Budget</u>
Revenues:			
Current:			
Taxes	\$ 399,000	\$ 535,702	\$ 136,702
Interest income	120	178	58
Other revenue	<u>6,250</u>	<u>23,510</u>	<u>17,260</u>
Total revenues	<u>405,370</u>	<u>559,390</u>	<u>154,020</u>
 Expenditures:			
Community center	18,460	23,455	(4,995)
Committee expenses	5,720	11,618	(5,898)
Parks and open space	-	36,835	(36,835)
Insurance	14,600	11,567	3,033
Maintenance	96,060	97,990	(1,930)
Payroll	135,862	118,076	17,786
Professional fees	40,200	48,194	(7,994)
Utilities	32,176	23,919	8,257
Professional dues	3,112	4,165	(1,053)
Office expense	7,200	10,397	(3,197)
Other expense	20,558	23,226	(2,668)
Capital outlay	<u>-</u>	<u>36,231</u>	<u>(36,231)</u>
Total expenditures	<u>373,948</u>	<u>445,673</u>	<u>(71,725)</u>
 Excess of revenues over expenditures	 <u>\$ 31,422</u>	 <u>113,717</u>	 <u>\$ 82,295</u>
 Other financing sources (uses)			
Transferred in		-	
Transferred out		<u>(3,635)</u>	
Total other financing sources (uses)		<u>(3,635)</u>	
 Fund balance at beginning of period		 <u>409,486</u>	
 Fund balance at end of period		 <u>\$ 519,568</u>	

Bel Marin Keys Community Services District
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Required Supplementary Information
Budget and Actual - Special Revenue - Measure D (Unaudited)
For the Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance With Final Budget
Revenues:			
Current:			
Taxes	\$ 438,599	\$ 463,123	\$ 24,524
Interest income	2,808	6,616	3,808
Total revenues	441,407	469,739	28,332
 Expenditures:			
Dredging	9,000	5,406	3,594
Water circulation	78,850	109,940	(31,090)
Locks	19,380	11,624	7,756
Waterway management	15,000	-	15,000
Maintenance	71,220	139,216	(67,996)
Professional fees	18,000	12,103	5,897
Utilities	6,600	5,594	1,006
Other	21,514	48,165	(26,651)
Capital outlay	-	15,465	(15,465)
Total expenditures	239,564	347,513	(107,949)
 Excess of revenues over expenditures	\$ 201,843	122,226	\$ (79,617)
 Fund balance at beginning of period		663,124	
 Fund balance at end of period		\$ 785,350	