

**BEL MARIN KEYS  
COMMUNITY SERVICES DISTRICT  
NOVATO, CALIFORNIA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2022**



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## **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 Bel Marin Keys Community Services District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Bel Marin Keys Community Services District's basic financial statements as listed in the table of contents.

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 the Bel Marin Keys Community Services District, as of June 30, 2022, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bel Marin Keys Community Services District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bel Marin Keys Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bel Marin Keys Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bel Marin Keys Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Other Matters

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-7) and budgetary comparison 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.

*O'Connor & Company*

O'Connor and Company

San Rafael, California  
January 18, 2023

**Bel Marin Keys Community Services District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2022**

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, 2022. 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 at the close of the 2022 fiscal year by \$6,055,199 (Net position). Of this amount, there is a balance of unrestricted net position of \$1,295,232.
- The District's net position increased by \$687,875 from 2021 and this increase is the Change in Net Position of \$687,875 reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.
- The District's total debt (including short and long-term liabilities) was \$317,601.
- As of the close of the 2022 fiscal year, the District's general fund reported an ending total fund balance of \$1,295,232, of which \$1,294,554 was unassigned.

**Financial Statements**

The District leveraged approximately \$1,598,421 of monies from property tax dollars and \$68,619 from sale taxes from the 2022 fiscal year. The District was able to respond to requests and needs of local stakeholders with these funds. Some of the services the District provides include: maintenance of eight parks, four boat ramps/docks, two navigational locks, numerous open spaces, public lighting and the levee. Essential services are provided to residents from other agencies which include water supply, sewage, garbage, fire and police services, public education, libraries and roadway maintenance, and utilities.

The basic governmental fund financial statements can be found on pages 10-15 of this report.

**Introduction to the Basic 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 its expenses, also on the full accrual basis, with 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.

Bel Marin Keys Community Services District  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

**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.

**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 14 of this report.

**Required Supplementary Information**

On page 24-26, the budget to actual comparison for the general fund and special fund is presented as required supplementary information.

**Financial Analysis of the District as a Whole**

The District's net position at June 30, 2022 is \$6,055,199. The following table provides a summary of the District's net position:

Table 1 - Summary of Net Position  
June 30, 2022  
Governmental Activities

	2022		2021	
	Amount	Percentage of Total	Amount	Percentage of Total
<b><u>Assets</u></b>				
Current assets	\$ 3,028,204	47%	\$ 2,969,941	46%
Capital assets, net	<u>3,394,876</u>	<u>53%</u>	<u>3,498,659</u>	<u>54%</u>
Total assets	<u>6,423,080</u>	<u>100%</u>	<u>6,468,600</u>	<u>100%</u>
<b><u>Liabilities</u></b>				
Current liabilities	50,280	13.7%	772,787	71%
Long-term debt obligations, net	<u>317,601</u>	<u>86.3%</u>	<u>317,348</u>	<u>29%</u>
Total liabilities	<u>367,881</u>	<u>100%</u>	<u>1,090,135</u>	<u>100%</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	3,077,275	51%	2,562,363	48%
Restricted	1,682,692	28%	1,798,994	33%
Unrestricted	<u>1,295,232</u>	<u>21%</u>	<u>1,017,108</u>	<u>19%</u>
Total net position	<u>\$ 6,055,199</u>	<u>100%</u>	<u>\$ 5,378,465</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 8.2 to 1 at June 30, 2022 and 3.8 to 1 at June 30, 2021. 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 \$687,875 or 11% during the year.

Bel Marin Keys Community Services District  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

In 2022, approximately 53% of the District's assets are invested in capital. The District 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 54% to 53% from 2021 to 2022 as capital assets will continue to be depreciated over their expected lives.

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, 2022  
Governmental Activities

	2022		2021	
	Amount	Percentage of Total	Amount	Percentage of Total
<b><u>Program Expenses</u></b>				
Operating	\$ 639,412	64.7%	\$ 562,373	49.0%
Measure A	5,010	0.5%	29,043	2.5%
Measure D	288,174	29.2%	488,392	42.3%
Measure E and F	54,808	5.6%	70,066	6.2%
Total program expenses	<u>987,404</u>	<u>100%</u>	<u>1,149,874</u>	<u>100%</u>
<b><u>Program Revenues</u></b>				
Operating	<u>6,750</u>	<u>0.4%</u>	<u>3,500</u>	<u>0.1%</u>
Total program revenues	<u>6,750</u>	<u>0.4%</u>	<u>3,500</u>	<u>0.1%</u>
<b><u>General Revenues</u></b>				
Taxes	1,667,040	99.5%	1,872,925	99.8%
Investment earnings (losses)	1,489	.1%	367	.1%
Total general revenues	<u>1,668,529</u>	<u>99.6%</u>	<u>1,873,292</u>	<u>99.9%</u>
Total revenue	<u>1,675,279</u>	<u>100%</u>	<u>1,876,797</u>	<u>100%</u>
Change in Net Position	<u>\$ 687,875</u>		<u>\$ 726,918</u>	

As Table 2 above shows, total Operating expense was \$639,412 in fiscal year 2022, which increased by \$77,039 compared to \$562,373 in fiscal year 2021. The increase in the Operating expense was due mainly to the increase in professional fees, community service center, and insurance expenses.

Total Measure A expense was \$5,010 in fiscal year 2022, which decreased by \$24,033 compared to \$29,043 in fiscal year 2021. Measure A expense decrease due to no capital outlay this year.

Total Measure D expense was \$288,174 in fiscal year 2022, which decreased by \$200,218 compared to \$488,392 in fiscal year 2021. The decrease in the Measure D expense was due mainly to lower personnel costs and lower professional fees in fiscal year 2022.

Total Measure E and F project expense was \$54,808 in fiscal year 2022, which decreased by \$15,258 compared to \$70,066 in fiscal year 2021. The decrease in the Measure E and F project expense was due mainly to the decrease in interest expense.

As Table 2 above shows, \$1,668,529, or 99.96%, of the District's fiscal year 2022 governmental revenue came from general revenues such as taxes and interest, and 0.4% came from program revenues.

Program revenues were composed of charges for services of \$6,750.

Bel Marin Keys Community Services District  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2022

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

**Financial Analysis of the District's Funds**

Governmental funds - The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported ending fund balance of \$2,977,924, a change of \$161,822 at the close of the 2022 fiscal year.

General Fund expenditures were \$380,573 in 2022, an increase of \$5,454 in comparison with \$375,119 in fiscal year 2021 due mainly to the increase in maintenance and capital outlay.

Measure A expenditures were \$5,010 in 2022, a decrease of \$37,269 in comparison with \$42,279 in fiscal year 2021 due mainly to a significant decrease in capital outlay expense for the District's landscape improvements and playground in 2022.

Measure D expenditures were \$457,705 in 2022, a decrease of \$13,116 in comparison with \$470,821 in fiscal year 2021 due mainly to the decrease of capital outlay but lower personnel cost and professional fees.

Debt service and project E and F expenditures were \$670,169 in 2022, an increase of \$740 in comparison of \$669,429 paid in fiscal year 2021. The decrease in debt service expenditures was due to the District's payment of Measure E and F commercial term loans with Bank of Marin plus the allocation of payroll expenses to these projects.

Other financing source was \$0 in 2022 and 2021. The only amount of other financing source in 2022 and 2021 was the PG&E loan payment and transfer of \$3,333 from the General Fund to the PG&E debt service fund.

**Budgetary Highlights**

Comparisons of Budget and Actual financial information are presented for the General Fund (including Measure A) and the Special Fund (Measure D) in these financial statements. In the General Fund (including Measure A), actual revenue was \$166,040 higher than the budgeted amount. Total expenditures were \$148,417 lower than budgeted amounts. This was primarily due to less personnel costs and less maintenance expenses than budgeted.

In the Special Fund (Measure D), actual revenue was \$24,199 higher than the budgeted amount due to more parcel taxes and investment income received in fiscal year 2022. Total Special Fund (Measure D) expenditures were \$53,755 higher than budgeted amounts. This was primarily due to an increase of expenditures for licenses, permit, and survey, water circulation and water management than budgeted.

**Capital Assets and Debt Administration**

Capital Assets

The District's capital assets, net of accumulated depreciation decreased this year by \$103,783 to \$3,394,876 compared to \$3,498,659 in 2021. 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 \$169,529 net with depreciation expense of \$258,839 and \$14,473 of non-serviceable assets that were written-off.



Bel Marin Keys Community Services District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

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.

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 \$4,846 in 2022 and \$8,179 in 2021. The commercial term loans with Bank of Marin balance was \$312,755 in 2022 and \$928,117 in 2021.

The District's long-term debts decreased this year by \$618,694 due to a \$3,333 payment on the PG&E loan and a \$615,361 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

Adopting the California Uniform Public Construction Cost Accounting Act

The Bel Marin Keys Community Services District subscribes to the California Uniform Public Construction Cost Accounting Act whereas, The Uniform Public Construction Cost Accounting Act (Act), enacted in 1983 under Public Contract Code section 22000 et seq., allows local agencies to perform public project work of up to \$60,000 with their own workforces if the agencies elect to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual by the California Uniform Construction Cost Accounting Commission. Public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order and public projects of two hundred thousand dollars (\$200,000) or less may be let to contract by informal procedures as set forth in this article.

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, 2022

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 1,314,790
Restricted cash and cash equivalents	1,665,741
Accounts receivable, net	46,995
Prepaid items	678
Total current assets	<u>3,028,204</u>
Non-current assets:	
Capital assets not being depreciated	1,067,173
Capital assets, net of accumulated depreciation	<u>2,327,703</u>
Total non-current assets	<u>3,394,876</u>
Total assets	<u>6,423,080</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	33,248
Compensated absences	9,436
Other liabilities	<u>7,596</u>
Total current liabilities	<u>50,280</u>
Non-current liabilities:	
Due within one year	316,390
Due in more than one year	<u>1,211</u>
Total non-current liabilities	<u>317,601</u>
Total liabilities	<u>367,881</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	3,077,275
Restricted for:	
Debt service	681,969
Measures and capital projects	1,000,723
Unrestricted	<u>1,295,232</u>
Total net position	<u>\$ 6,055,199</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, 2022

<u>Functions/Programs</u>	<u>Expenditures</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Total Governmental Activities</u>
Governmental activities:			
Service and supplies - Operating	\$ 639,412	\$ 6,750	\$ (632,662)
Service and supplies - Measure A	5,010	-	(5,010)
Service and supplies - Measure D	288,174	-	(288,174)
Service and supplies - Project Fund I (Measure E)	26,806	-	(26,806)
Service and supplies - Project Fund II (Measure F)	<u>28,002</u>	<u>-</u>	<u>(28,002)</u>
Total governmental activities	<u>\$ 987,404</u>	<u>\$ 6,750</u>	<u>(980,654)</u>
General revenues:			
Taxes:			
Measure income			1,596,848
ERAF income			69,071
HOPTR tax income			1,121
Investment earnings (losses)			<u>1,489</u>
Total general revenues			<u>1,668,529</u>
Change in net position			<u>687,875</u>
Net position, beginning of period			5,378,465
Prior period adjustments			<u>(11,141)</u>
Net position, as restated			<u>5,367,324</u>
Net position, end of period			<u>\$ 6,055,199</u>

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

**Bel Marin Keys Community Services District**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
June 30, 2022

				<u>Debt Service</u>		
				Project	Project	
				Fund I	Fund II	
				(Measure E)	(Measure F)	
	General	Special	Special	(Loan 2014-1)	(Loan 2014-2)	Total
	Fund	Revenue	Revenue			
		Measure A	Measure D	PG&E Loan		
<b><u>ASSETS</u></b>						
Cash and investments	\$ 1,314,790	\$ -	\$ -	\$ -	\$ -	\$ 1,314,790
Restricted cash and investments	-	107,637	878,911	-	135,726	1,665,741
Accounts receivable, net	9,502	31,807	3,129	-	706	46,995
Due from other funds	8,459	31,762	-	3,333	-	46,177
Prepaid items	678	-	-	-	-	678
Total assets	<u>\$ 1,333,429</u>	<u>\$ 171,206</u>	<u>\$ 882,040</u>	<u>\$ 3,333</u>	<u>\$ 136,432</u>	<u>\$ 3,074,381</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 21,165	\$ -	\$ 12,083	\$ -	\$ -	\$ 33,248
Compensated absences	9,436	-	-	-	-	9,436
Due to other funds	-	-	40,440	-	5,737	46,177
Other liabilities	7,596	-	-	-	-	7,596
Total liabilities	<u>38,197</u>	<u>-</u>	<u>52,523</u>	<u>-</u>	<u>5,737</u>	<u>96,457</u>
<b>Fund balances:</b>						
Nonspendable fund balance	678	-	-	-	-	678
Restricted fund balances	-	171,206	829,517	3,333	130,695	1,682,692
Unassigned	1,294,554	-	-	-	-	1,294,554
Total fund balances	<u>1,295,232</u>	<u>171,206</u>	<u>829,517</u>	<u>3,333</u>	<u>130,695</u>	<u>2,977,924</u>
Total liabilities and fund balances	<u>\$ 1,333,429</u>	<u>\$ 171,206</u>	<u>\$ 882,040</u>	<u>\$ 3,333</u>	<u>\$ 136,432</u>	<u>\$ 3,074,381</u>

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

Bel Marin Keys Community Services District  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**WITH THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION**  
June 30, 2022

Total Governmental Funds Fund Balances	\$ 2,977,924
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Amounts reported in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital assets	10,249,021
Accumulated depreciation	(6,854,145)

Long-term assets are not available to pay for current period expenditures, and long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:

Long-term debt obligations	<u>(317,601)</u>
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Net Position of Governmental Activities	<u>\$ 6,055,199</u>
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The accompanying notes are an integral part of these financial statements.

Bel Marin Keys Community Services District  
**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2022

	Debt Service						
			Project		Project		
			Fund I		Fund II		
			(Measure E)		(Measure F)		
	General	Special	Special	PG&E Loan	(Loan 2014-1)	(Loan 2014-2)	Total
	Fund	Revenue	Revenue				
		Measure A	Measure D				
Revenues:							
Taxes	\$ 654,771	\$ 68,619	\$ 520,154	\$ -	\$ 116,340	\$ 307,156	\$ 1,667,040
Investment earnings (losses)	509	-	597	-	61	322	1,489
Charges for services	6,750	-	-	-	-	-	6,750
Total revenues	662,030	68,619	520,751	-	116,401	307,478	1,675,279
Expenditures:							
Current:							
Personnel costs	85,142	-	49,886	-	5,914	5,914	146,856
Services and supplies	196,902	-	55,749	-	5	-	252,656
Maintenance	98,529	5,010	182,539	-	-	-	286,078
Capital outlay	-	-	169,531	-	-	-	169,531
Debt service:							
Fiscal charges	-	-	-	-	14,272	7,938	22,210
Loan principal repayment	-	-	-	-	196,035	419,326	615,361
Loan interest expense	-	-	-	-	6,615	14,150	20,765
Total expenditures	380,573	5,010	457,705	-	222,841	447,328	1,513,457
Excess of revenues over (under) expenditures	281,457	63,609	63,046	-	(106,440)	(139,850)	161,822
Other financing sources (uses)							
Transfers in	-	-	-	3,333	-	-	3,333
Transfers out	(3,333)	-	-	-	-	-	(3,333)
Total other financing sources (uses)	(3,333)	-	-	3,333	-	-	-
Net change in fund balances	278,124	63,609	63,046	3,333	(106,440)	(139,850)	161,822
Fund balances, beginning of period	1,017,108	107,597	766,471	-	237,135	687,791	2,816,102
Fund balances, end of period	\$ 1,295,232	\$ 171,206	\$ 829,517	\$ 3,333	\$ 130,695	\$ 547,941	\$ 2,977,924

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

Bel Marin Keys Community Services District  
**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES**  
**WITH THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**  
For the Year Ended June 30, 2022

Net Change in Fund Balances	\$ 161,822
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Amounts reported in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Depreciation expense	(258,839)
Capital outlay expenditures	169,531

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any affect on net assets.

Loan principal repayment	<u>615,361</u>
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Change in Net Position of Governmental Activities	<u>\$ 687,875</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, 2022

**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 operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.



Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis Financial Statements (concluded)

The Fund Financial Statements are presented after the government-wide financial statements. These statements display information about major funds individually in a separate column and non-major funds in the aggregate for governmental funds.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have assets, liabilities, revenues, or expenditures equal to ten percent of their fund-type total and five percent of the grand total.

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

The District has the General Fund, which accounts for the District activities; Measure D Special Revenue Fund which accounts for the waterway's activities; Measure A which accounts for parks and open space activities and Debt Service Funds for the PG&E Loan, Measure E and F which account for the marine facilities of the Community Facilities District No. 2014-1 and 2014-2.

D. 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*.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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.

Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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. Measure A's actual revenue and expenditures were included in the General Fund. The District did not adopt a separate budget for Measure A.

Special Fund (Measure D) expenditures exceeded appropriations for the Special Fund (Measure D) by \$53,755, which was mainly due to under budget of personnel costs and capital outlay expenditures.

F. 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.

G. 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.

H. 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.

I. 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.

*Net Investment in Capital Assets*, 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.

Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Net Position (concluded)

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.

J. 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:

Non-spendable 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.

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).

Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

K. 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.

L. Sales Taxes

The District received an allocation of sales tax from the County of Marin to be used for pet stations, parks and open space improvements, playgrounds and picnic areas improvements. The District maintains Measure A funds in a separate bank account and restricted Measure A funds are to be used for the above specific projects only.

M. 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.

N. 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 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.

Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS (continued)**

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

Governmental Funds:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents:		
Cash - Operating	\$ 1,314,790	\$ 965,519
Total governmental funds cash and cash equivalents	<u>1,314,790</u>	<u>965,519</u>
Restricted cash and cash equivalents:		
Cash restricted for Measure A	107,637	91,431
Cash restricted for Measure D	878,911	476,278
Cash restricted for Measure E and F	<u>679,193</u>	<u>678,267</u>
Total governmental funds restricted cash	<u>1,665,741</u>	<u>1,245,976</u>
Restricted Short-term investments:		
Investments restricted for Measure D	-	412,070
Investments restricted for Measure E and F projects	<u>-</u>	<u>242,070</u>
Total restricted short-term investments	<u>-</u>	<u>654,140</u>
Total governmental funds cash and investments	<u>\$ 2,980,531</u>	<u>\$ 2,865,635</u>

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.

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 sensitivity 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.

Bel Marin Keys Community Services District  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 3 - CASH AND INVESTMENTS (concluded)**

The District has sold all of its investments and converted them to cash at June 30, 2022. The investments balances were \$0 and \$654,140 at June 30, 2022 and 2021, respectively. Information about the sensitivity 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, 2021:

Investment Type	Carrying Amount	2021			
		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	\$ 654,140	\$ 654,140	\$ -	\$ -	\$ -
Total	\$ 654,140	\$ 654,140	\$ -	\$ -	\$ -

**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, 2021:

**Fair Value Reporting – Investments**

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the District's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The District's holdings are classified in Level 1 of the fair value hierarchy.

**NOTE 4 - CAPITAL ASSETS**

A summary of changes in capital assets for the period ended June 30, 2022 is as follows:

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Capital assets not being depreciated:				
Land	\$ 880,256	\$ -	\$ -	\$ 880,256
Construction in progress	64,979	130,250	8,312	186,917
Total non-depreciable assets	945,235	130,250	8,312	1,067,173
Capital assets being depreciated:				
Buildings and improvements	8,528,408	30,403	-	8,558,811
Equipment	675,865	-	70,103	605,762
Furniture	17,272	-	-	17,272
Total depreciable assets	9,221,545	30,403	70,103	9,181,845
Less accumulated depreciation for:				
Buildings and improvements	(6,315,695)	(213,212)	11,730	(6,517,177)
Equipment	(335,154)	(45,627)	61,088	(319,693)
Furniture	(17,272)	-	-	(17,272)
Total accumulated depreciation	(6,668,121)	(258,839)	72,818	(6,854,142)
Net capital assets being depreciated	2,553,424	(228,436)	2,715	2,327,703
Capital assets, net of accumulated depreciation	\$ 3,498,659	\$ (98,186)	\$ (5,597)	\$ 3,394,876

Depreciation expense for the year ended June 30, 2022 was \$258,839.

**Bel Marin Keys Community Services District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2022

**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 \$9,436 and \$14,136 as of June 30, 2022 and 2021, respectively.

**NOTE 6 - LONG-TERM DEBT OBLIGATIONS**

A summary of changes in long-term debt for the period ended June 30, 2022 is as follows:

<u>Long-term Debts</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due in One Year</u>
PG&E loan	\$ 8,179	\$ -	\$ 3,333	\$ 4,846	\$ 3,635
Loan 2014-1 E	295,670	-	196,036	99,634	99,634
Loan 2014-2 F	632,447	-	419,326	213,121	213,121
Total	<u>\$ 936,296</u>	<u>\$ -</u>	<u>\$ 618,695</u>	<u>\$ 317,601</u>	<u>\$ 316,390</u>

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

As of June 30, 2022, the District is obligated for the following payments:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023 (current portion)	\$ 3,635	\$ -	\$ 3,635
2024	1,211	-	1,211
Total	<u>\$ 4,846</u>	<u>\$ -</u>	<u>\$ 4,846</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 September 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 \$101,325 on loan 2014-1 and \$216,738 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.

Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 6 - LONG-TERM DEBT OBLIGATIONS (concluded)

As of June 30, 2022, the District is obligated for the following payments:

		<u>Loan 2014-1 E</u>	
		<u>Principal</u>	<u>Interest</u>
<u>Year Ending June 30</u>			
2023 (current portion)		\$ 99,634	\$ 2,691
Total		\$ 99,634	\$ 2,691

  

		<u>Loan 2014-2 F</u>	
		<u>Principal</u>	<u>Interest</u>
<u>Year Ending June 30</u>			
2023 (current portion)		\$ 213,121	\$ 3,617
Total		\$ 213,121	\$ 3,617

Interest expense paid for loan 2014-1 and 2014-2 for the years ended June 30, 2022 and 2021 was \$30,765 and \$36,763, respectively.

NOTE 7 - 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 years ended June 30, 2022 and 2021 were \$3,031 and \$3,027, respectively.

NOTE 8 - PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2022, the District adjusted the beginning net position in the amount of \$11,141 to write off due to/(due from) amounts that were recognized in the prior year in error.

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

A. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2022, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 8,459	\$ -
Measure A	31,762	-
Measure D	-	40,440
PG&E Loan	3,333	-
Project Fund I - E	-	5,737
Project Fund II - F	2,623	-
Total	\$ 46,177	\$ 46,177

Temporary loan from the General Fund and Measure A fund to be repaid shortly after year end.



Bel Marin Keys Community Services District  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

NOTE 9 - INTERFUND BALANCES AND ACTIVITY (concluded)

B. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2022, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 3,333
Capital Projects	<u>3,333</u>	<u>-</u>
Total	<u>\$ 3,333</u>	<u>\$ 3,333</u>

Transfer of funds received in the PG&E loan fund to cover debt service.

Bel Marin Keys Community Services District  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
 Required Supplementary Information  
 Budget and Actual - General Fund & Measure A (Unaudited)  
 For the Year Ended June 30, 2022

	Original and Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
<b>Revenues:</b>			
Taxes	\$ 560,605	\$ 723,390	\$ 162,785
Investment earnings (losses)	-	509	509
Charges for services	1,250	6,750	5,500
Other revenue	2,750	-	(2,750)
Total revenues	<u>564,605</u>	<u>730,649</u>	<u>166,044</u>
<b>Expenditures:</b>			
Personnel costs	167,700	85,142	82,558
Professional fees	52,000	57,336	(5,336)
Community service center	59,200	55,037	4,163
Occupancy	8,000	-	8,000
Professional dues	4,100	2,928	1,172
Fees	500	161	339
Administrative expenses	9,000	3,201	5,799
Office expenses	13,500	17,224	(3,724)
Committee expenses	4,000	-	4,000
Information technology	7,400	7,493	(93)
Insurance	30,500	51,317	(20,817)
Licenses, permits and surveys	16,100	1,317	14,783
Maintenance	124,000	103,539	20,461
Marketing and outreach	6,500	888	5,612
Capital outlay	31,500	-	31,500
Total expenditures	<u>534,000</u>	<u>385,583</u>	<u>148,417</u>
<b>Other financing sources (uses):</b>			
Transfers out	-	(3,333)	(3,333)
Total other financing sources (uses)	<u>-</u>	<u>(3,333)</u>	<u>(3,333)</u>
<b>Excess of revenues over (under)</b> expenditures	<u>\$ 30,605</u>	<u>341,733</u>	<u>\$ 311,128</u>
Fund balances, beginning of period		<u>1,124,705</u>	
Fund balances, end of period		<u>\$ 1,466,438</u>	

Bel Marin Keys Community Services District  
**BUDGET COMPARISON SCHEDULE - GENERAL FUND**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Fiscal Year Ended June 30, 2022

Note A: Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

**Source/Inflows resources:**

Actual amounts "available for appropriation" from budgetary comparison schedule	\$ 730,649
Differences - budget to GAAP:	
Measure A	(68,619)
	<u>-</u>
Total revenues as reported in statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 662,030</u>

**Uses/Outflows of resources:**

Actual amounts "total changes for appropriations" from the budgetary comparison schedule	\$ 385,583
Differences - budget to GAAP:	
Measure A	(5,010)
	<u>-</u>
Total expenditures as reported in statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 380,573</u>

Bel Marin Keys Community Services District  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 Required Supplementary Information  
 Budget and Actual - Measure D Special Fund (Unaudited)  
 For the Year Ended June 30, 2022

	Original and Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues:			
Taxes	\$ 494,052	\$ 520,154	\$ 26,102
Investment earnings (losses)	<u>2,500</u>	<u>597</u>	<u>(1,903)</u>
Total revenues	<u>496,552</u>	<u>520,751</u>	<u>24,199</u>
Expenditures:			
Personnel costs	25,000	49,886	(24,886)
Professional fees	66,000	42,368	23,632
Professional dues	400	4,247	(3,847)
Fees	1,000	1	999
Administrative expenses	13,000	6,982	6,018
Office expenses	-	1,206	(1,206)
Licenses, permits and surveys	1,500	945	555
Maintenance	5,600	8,975	(3,375)
Capital outlay	87,500	169,531	(82,031)
Measure D:			
Waterway management	97,500	100,384	(2,884)
Locks, lagoon, creek and moat maintenance	<u>106,450</u>	<u>73,180</u>	<u>33,270</u>
Total expenditures	<u>403,950</u>	<u>457,705</u>	<u>(53,755)</u>
Excess of revenues over (under) expenditures	<u>\$ 92,602</u>	63,046	<u>\$ (29,556)</u>
Fund balances, beginning of period		<u>766,471</u>	
Fund balances, end of period		<u>\$ 829,517</u>	

Bel Marin Keys Community Services District  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
June 30, 2022

NOTE 1 - BUDGETARY BASIS OF PRESENTATION

The budgets included in these financial statements represents the original budget and amendments, if any, approved by the Board of Directors. The budgetary basis for the General Fund, and Measure D Funds is the modified accrual basis of accounting. Various reclassifications have been made to the actual amounts to conform to the classification included in the approved budget.