

# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015

CITY OF SAN LEANDRO, CALIFORNIA





**CITY OF SAN LEANDRO, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2015**

**PREPARED BY:**  
City of San Leandro – Finance Department  
David Baum, Finance Director



**CITY OF SAN LEANDRO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2015**

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City of San Leandro  
Civic Center, 835 E. 14th Street  
San Leandro, California 94577



December 16, 2015

Honorable Mayor and Members of the City Council  
City of San Leandro  
San Leandro, CA 94577

Dear Mayor and Members of the City Council:

It is a pleasure to submit for your consideration the City of San Leandro's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of my knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's Charter requires an annual audit by an independent audit firm selected by the City Council of the books of account and financial records and reports of the City and that the City publish a complete set of audited financial statements after the close of each fiscal year. This report is published to fulfill this requirement for the fiscal year ended June 30, 2015.

This report presents management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Maze & Associates, a public accounting firm fully licensed and qualified to perform audits of local governments within California, has audited the City's basic financial statements. The goal of the independent audit is to provide reasonable assurance that the basic financial statements for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2015 are fairly presented in

conformity with accounting principles generally accepted in the United States. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the annual financial audit, the City provides for a federally mandated Single Audit designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of Federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). The MD&A compliments this letter of transmittal and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

## **CITY PROFILE**

The City of San Leandro was incorporated in 1872 and is one of the oldest communities in the San Francisco Bay Area. The City occupies fifteen square miles between the cities of Oakland and Hayward and is bordered on the west by the San Francisco Bay. San Leandro offers its approximately 86,000 residents the quiet charm and character of a community that has been established for more than 140 years. Once an agricultural community, the City has been successful in attracting significant industrial, manufacturing and retail development to the area.

### **City Structure**

The City functions under a Mayor-Council-Manager form of government and is governed by a seven-member council elected by City residents. Municipal services provided include public safety, streets and roads, recreation and cultural services, library, health services, public infrastructure improvements, planning and zoning, and general administrative services. The scope of the City Council's power and influence includes, but is not limited to the following:

- The authority to establish and modify operating and capital budgets
- The power to appoint voting members to other governing authorities
- The power to appoint the City Manager and City Attorney
- The ability to plan and direct operations
- The authority to veto, modify, and overrule decisions

Another significant example of control is the nature of financial interdependency between the various City funds. Manifestations of financial interdependency include taking responsibility for financing deficits, being entitled to operating surpluses, and giving implied guarantees (moral responsibility) for debt obligations.

## **Component Units**

As of June 30, 2015, there were no discretely reportable component units. The City's blended component units include operations of the San Leandro Parking Authority, the San Leandro Public Financing Authority, and the San Leandro Economic Development Agency.

The CAFR for the year ending June 30, 2015 provides a financial account of those activities, organizational elements, and City functions for which the City Council provides policy direction and general oversight. It presents financial information on the activities of the City itself and the component units of the City upon which the City Council is authorized to impose its will. The operating nature of the City's component units determines how they are reported in the financial statements. The activities of component units that provide financial benefit or create financial burden for the City are blended within the City's general financial statements. Component units that have no discernable financial impact upon the City are presented separately.

## **ECONOMIC CONDITION OF THE CITY**

The City of San Leandro has a diverse and strong economy, with its business community comprised of varied businesses ranging from neighborhood coffee houses and fine restaurants, large food processing centers, and regional shopping opportunities, to cutting edge technology. While the economic base has dramatically changed from its agricultural early years, San Leandro continues to expand on its sound business base with the ongoing development of such projects as a multi-family housing development, a new high-rise office complex, and the continuing revitalization of downtown San Leandro.

The recession resulting from the global financial and credit market meltdown in late 2008 has had a direct and dramatic impact on the City's local revenues. However, recent data indicate recovery, median home prices are \$500,000, still less than the median price at the 2006 peak. The unemployment rate is less than 6%.

The City's General Fund supports many of the City's key services, such as public safety, library and parks and recreation. Revenue to this critical fund, generated largely from sales and property taxes, has rebounded to levels not seen since 2006-07. Low mortgage rates have spurred investment in housing. Despite the improving housing market, which represents 63% of the City's tax roll, no growth in taxable assessed value for Fiscal year 2014-15. Lower interest rates have also boosted purchases of large ticket items, such as automobiles and home improvements, which boosted sales tax revenue by 13% in the City. With the passage of Measure HH (0.5% sales tax increase) effective April 1, 2015, the half cent sales tax added \$2 million sales tax revenue in the fiscal year.

City operations are also supported by other funds, including enterprise funds. Key enterprise funds include the Water Pollution Control Plant and Shoreline Enterprise Funds. Both of these funds have seen revenues slightly improving over the last year. The Water Pollution Control Plant Enterprise fund was established to account for the City's sewers, which protect public health and preserve water quality through collection, treatment, and disposal of the community's wastewater and wastewater solids. Program revenues to this fund in 2014-15 totaled \$13 million, an 8% increase from the prior year. The Shoreline Enterprise Fund was established in 2002-03 and combined the Marina

Enterprise and the Golf Course Enterprise Funds. Program revenues to this fund in 2014-15 totaled \$2.04 million, a 6% increase from the prior year.

While the City has implemented considerable expenditure/service reductions to balance its budget, it continues to face increased operating costs. For example, the City's contribution rates for employee pensions continue to rise due to prior portfolio losses and a change in actuarial assumptions by CalPERS, with additional increases projected in future years. The City has offset some of these increases with staff reductions in recent years, and will be working with employee groups over the next couple of years to address this growing cost. Partially mitigating the double digit increases in annual CalPERS funding are extra contributions to the pension from employees, which are up to 9% of salary.

The State of California is forecasting a balanced budget over the next 18 months. The State's savings and borrowings from special funds, property tax shifts, restructuring of the state-local government relationship that shifts funding responsibility to local government for certain services results in a shift of cost being transferred to cities and counties. State lawmakers' dissolution of redevelopment agencies eliminates funding for redeveloping, improving and revitalizing project and blighted areas in the city. Passage of Prop 30 in November 2012 generates additional tax revenue for the State to mitigate recent deficits. Passage of Proposition 2 in November 2014 allocates General Fund surpluses to a rainy day fund to preserve State services during future economic downturns. Local governments remain alert about how the State will balance its budget and how it might impact local government.

### **Long-term perspective**

The City adopts an annual budget, but employs long-term planning as the framework for its fiscal decisions. While San Leandro's underlying economy is viewed as positive in the long-term, today's economic challenges, notably in the General Fund, must be dealt with now to ensure long-term fiscal stability. The City Council has implemented various cost cutting measures after operating expenditures peaked in 2008-09 to produce recurring budget savings. Such actions result in unwanted, but unavoidable reductions in service to the community. Passage of Measure Z in November 2010 and Measure HH in 2014 have improved revenues enough to ensure no additional reduction in services since 2012.

City Council unrestricted reserves total \$19.1 million in the General Fund at June 30, 2015. The reserve balance is comprised of \$5 million for Major Emergencies, \$7.4 million for Economic Uncertainty, \$1.2 million from Community Impact fees, \$600,000 for Employee Compensated Absences and \$4.9 million from other unassigned balance. In FY 2014-15, the City's reserve balance increased by an additional \$350,000.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

In its role of providing policy direction and general oversight, the City Council establishes major goals for City service delivery. These goals are identified and quantified in the City's annual budget. The City can boast of an impressive list of major initiatives and accomplishments during 2014-15 that helped achieve the City's mission of serving the public and enhancing the quality of life in San Leandro. Some of these major initiatives and accomplishments include:

## **Capital Improvements**

Water Pollution Control Plant A \$55 million expansion is underway to upgrade the Plant, which was constructed in 1939. Scheduled date of completion is 2016 .

Streets and Road Projects As part of the City's overall Pavement Management strategy, the rehabilitation of city streets through the construction of overlay, pothole repairs, and various street resurfacing treatments, continue to improve the streets and roads that enhances the City's road quality and durability.

Affordable Housing and Downtown Office Construction The 200-unit mixed use, transit oriented development Marea Alta rental construction on the former BART parking lot site (1400 San Leandro Boulevard) will provide affordable rental housing. The project developer is BRIDGE Housing Corporation, a nationally recognized nonprofit affordable housing developer and property manager. Simultaneously, Westlake Development Partners is constructing a multi-phased downtown technology campus on property it owns west of the San Leandro BART Station, which was originally intended for affordable rental housing by BRIDGE Housing. Marea Alta and the San Leandro Tech Campus are now distinct development projects on separate planning and construction schedules. Completion of each project is expected in 2016.

## **COUNCIL FINANCIAL POLICIES**

Over the years, the San Leandro City Council has followed a series of Financial Values that provide guidance to budget administration, capital financing and debt management - which are also used to guide the budget process. In addition, the City Council adopted, by resolution, specific budget administration guidelines which set out guidance for fund balance designations and reserves management.

The budget guidelines recommend sufficient fund balance to provide for: a) Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy, b) contingencies for unforeseen operating or capital needs and c) cash flow requirements. Further, the guidelines call for such designated fund balances to be at least 15% of General Fund operating expenditures (budgeted expenditures for the following year). Consequently, based on the General Fund's budgeted operating expenditures for 2015-16 the guideline requirement is approximately \$14 million.

The 2014-15 financial statements reflect unrestricted reserves that total \$19.1 million. For the second time since 2006-07, the Unassigned Fund Balance aligns with the Council's fund balance guideline.

## **FINANCIAL INFORMATION**

### **City Budget & Budgetary Controls**

The City Council is required to adopt a final budget through the passage of a resolution no later than June 30, the close of the fiscal year, following a public hearing process conducted to obtain taxpayer comments. This annual budget serves as the foundation for the City's financial planning and control.

The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. At the end of the fiscal year, encumbered appropriations are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse, unless otherwise authorized by the City Council and the City Manager.

### **Accounting System**

The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when measurable and available. Expenditures are recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's proprietary activities are maintained on the full accrual basis, with revenues recorded when earned and expenses when incurred. In maintaining the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets and to ensure the reliability of financial records and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires continuing estimates and judgments by City management. We believe that the City's system of internal accounting controls continues to adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

### **Risk Management**

The City maintains a program of commercial insurance combined with self-insurance for substantially all of its governmental operations, except for major construction projects and contractor-supplied services. In such circumstances, insurance to protect the City is provided by each contractor. The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). The City is also a member of California Joint Powers Risk Management Authority (CJPRMA), which provides annual general liability coverage in an aggregate up to \$40 million. Additional information on the City's risk management activity can be found in the notes to the financial statements.

## **OTHER INFORMATION**

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Leandro for its CAFR for the fiscal year ended June 30, 2014. This was the 19<sup>th</sup> consecutive year that the City of San Leandro has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

This CAFR represents the culmination of numerous hours of hard work expended by the dedicated staff in the Accounting Division of the Finance Department. In particular, I would like to express appreciation to Will Fuentes, Norite Vong, Mayette Bailey, Gregory Watson and Sally Perez whose support and dedication made the report possible. Furthermore, I would like to thank Maze & Associates for their professional assistance and cooperation.

Finally, I want to thank Chris Zapata, City Manager, and the City Council for their continued interest and support in planning and conducting the City's financial operations.

Respectfully submitted,

A handwritten signature in cursive script that reads "David Baum".

David Baum  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of San Leandro  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



**PRINCIPAL OFFICERS**  
**CITY OF SAN LEANDRO**  
**For Fiscal Year Ended June 30, 2015**

**CITY COUNCIL**

Mayor	Pauline Russo Cutter
Vice Mayor	Jim Prola
Councilmember	Deborah Cox
Councilmember	Benny Lee
Councilmember	Corina Lopez
Councilmember	Ursula Reed
Councilmember	Lee Thomas

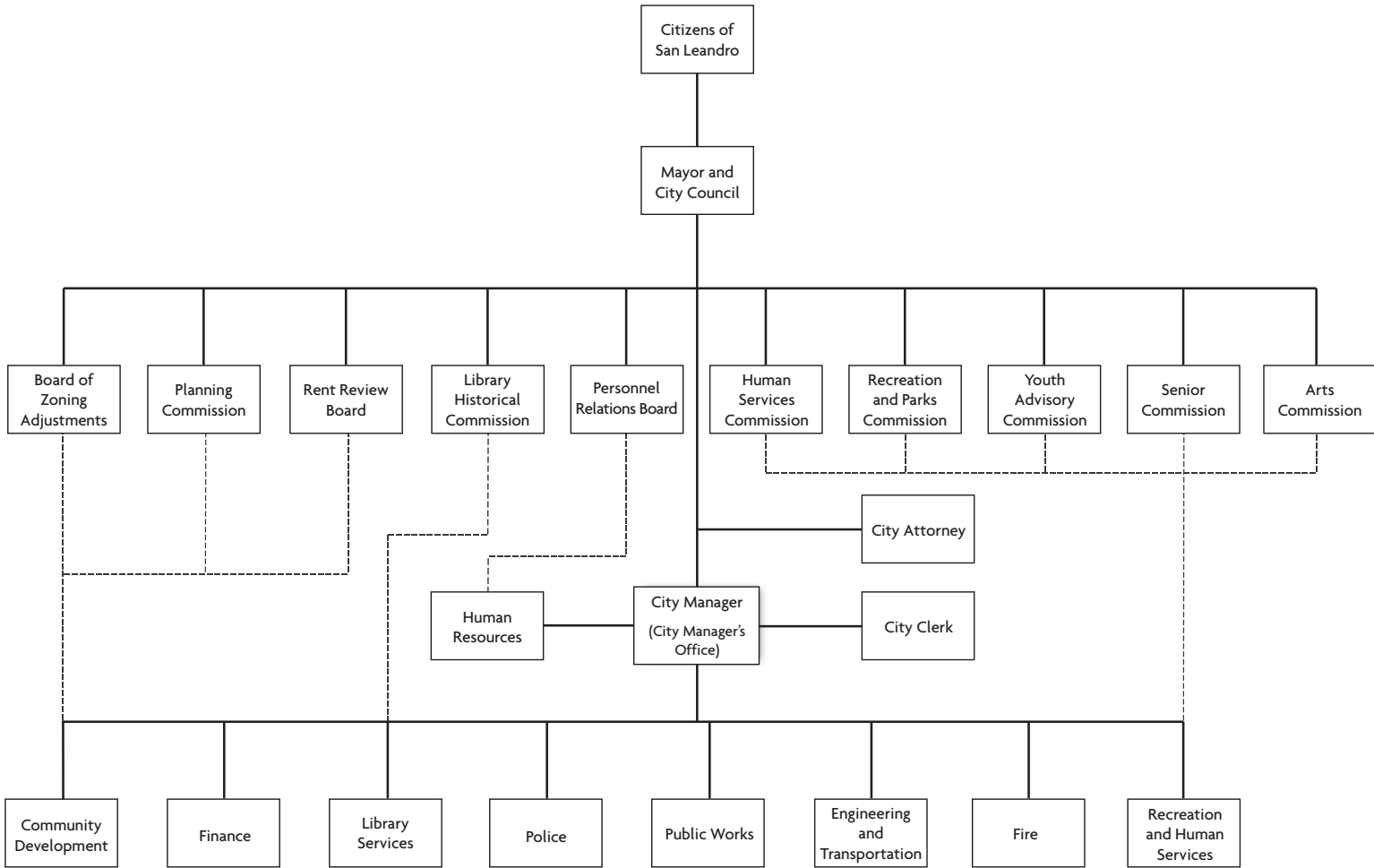
**COUNCIL APPOINTEES**

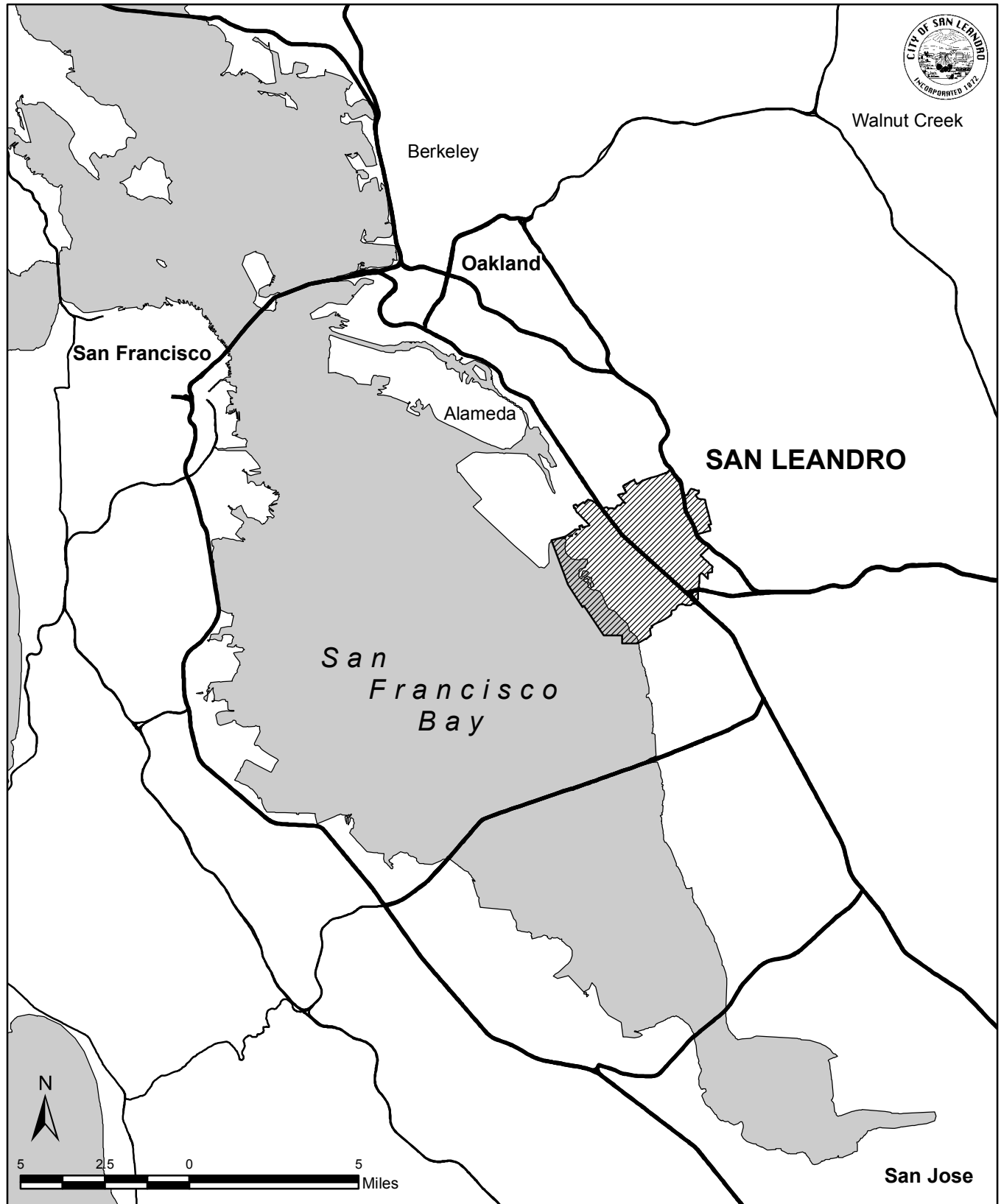
City Manager	Chris Zapata
City Attorney	Richard Pio Roda

**APPOINTED OFFICIALS**

Assistant City Manager	Lianne Marshall
City Clerk	Tamika Greenwood
Police Chief	Sandra R. Spagnoli
Community Development Director	Cynthia Battenberg
Finance Director	David Baum
Recreation and Human Services Director (Acting)	Breyana Brandt
Engineering – Transportation Director	Keith Cooke
Public Works Director	Debbie Pollart

**This organizational chart reflects relationships between policy-making responsibility (Mayor, City Council, and Advisory Boards and Commissions) and administrative officers and departments.**







## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of San Leandro, California

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Leandro, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principles***

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015, and required a prior period adjustment to the financial statements, as discussed in Note 10D and Note 14:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

In addition, the City also restated deferred revenues and loans receivable as discussed in Note 10D.

The emphasis of these matters does not constitute a modification to our opinions.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
December 8, 2015





**CITY OF SAN LEANDRO, CALIFORNIA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

The Management's Discussion and Analysis (MD&A) provides an overview of the City of San Leandro's activities and financial performance for the fiscal year ended June 30, 2015. To obtain a complete picture of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

**FINANCIAL HIGHLIGHTS**

Information about net position is presented in the summary schedule, below:

- At the close of the most recent fiscal year, the net position of the City exceeded its liabilities by \$180 million (net position). Of this amount, \$245 million was invested in capital assets. \$21.2 million is restricted for other purposes; leaving (\$86.3) million unrestricted. Unrestricted fund balance changed from \$49.3 million at the end of FY 2013-14 to (\$86.3) million at the end of FY 2014-15 mainly due to the requirement of Governmental Accounting Standard Board (GASB) Statement Number 68 to record Net Pension Liability in the amount of \$116.2 million.
- As of June 30, 2015, the City's total net position increased by \$7.8 million; representing a \$2.6 million increase in governmental activities and a \$5.3 million increase in Business Type activities.
- In FY 2014-15, GASB Statement Number 54, governments are obligated to enhance the financial reporting of the fund balance categories. Fund balances are described and presented in Note 10 which details the classifications of the City's new fund balance categories. The City's governmental funds include the general, special revenue, debt service, and capital projects, with a combined ending fund balance of \$56.0 million, an increase of \$12.0 million from the prior fiscal year. The increase is primarily due to the rise of \$5.8 million in Property and Other Taxes, \$2.8 million in Intergovernmental Revenues, \$1.8 million in Other Revenues, \$340,000 in Licenses and Permits, \$250,000 in Interdepartmental Charges, and \$221,000 in Fines and Forfeitures.
  - a) Approximately 24.7% of the amount (\$13.8 million) is Nonspendable because the funds are both legally and contractually required to be maintained and are not available or spendable such as advances and loans to other funds.
  - b) Approximately 40.4% of the amount (\$22.6 million) is Restricted due to the constraints placed on the use of resources or imposed by law through constitutional provisions or enabling legislation. This includes capital projects and debt service payments.
  - c) Approximately 3.1% of the amount (\$1.7 million) is Assigned which are General fund encumbrances from prior fiscal year.
  - d) Approximately 31.8% of the amount (\$17.8 million) is Unassigned and available for spending in the future. These include Compensated Absences, Major Emergencies and Economic Uncertainties and funds that have deficit fund balances.

## **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

Management's Discussion and Analysis gives an introduction to the City's basic financial statements. The City's basic financial statements are comprised 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**

The government-wide financial statements are designed to provide readers a broad overview of the City's finances, in a manner similar to statements of a private-sector business. The Statements are comprised of the *Statement of Net Position* and *Statement of Activities and Changes in Net Position*.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over a period of time, increases or decreases in net position may serve as a useful indicator of changes in the City's financial reporting.

The *Statement of Activities and Changes in Net Position* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave and other compensated absences).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Both of the above financial statements have separate sections for three different types of programs or activities. These three types of activities are:

*Governmental Activities* - The activities in this section are mostly supported by taxes and charges for services. The governmental activities of the City include General Government (City Council, City Manager, City Clerk, Human Resources, Information Technologies, and Finance), Public Safety, Engineering & Transportation, Recreation and Culture, Library, and Community Development.

*Business-Type Activities* – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities of the City include the Water Pollution Control Plant, Environmental Services, Shoreline Enterprise, and Storm Water Utility.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the

funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial capacity.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The City has 25 governmental funds, of which one is considered a major fund for presentation purposes. Major funds are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's one major fund is the General. Individual fund data for each of the non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and all non-major funds. Budgetary comparison statements are elsewhere in this report to demonstrate compliance with the adopted budget.

**Proprietary Funds** - The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Water Pollution Control Plant, Shoreline, Storm Water Utility, and Environmental Services. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the fleet of vehicles, building and facilities maintenance, insurance services and information systems. Because these services primarily benefit governmental rather than business-type functions, these are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in great detail. The proprietary fund financial statements provide separate information for the entire City's proprietary funds. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary financial statements. Individual fund data for the proprietary and internal service funds are provided in the form of combining statements elsewhere in the report.

**Fiduciary Funds** – Fiduciary funds, consisting solely of trust and agency funds, are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City’s own programs. The accounting used for these funds is much like that used for governmental funds. These funds are reported in a separate statement of fiduciary assets.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. This information includes budgetary comparison schedules, as well as more detailed information about the City’s agreement with the California Public Employees Retirement System (CalPERS) for the defined benefit pension plan.

In the following tables, the information for prior fiscal year 2014 was not restated for GASB 68 and 71 because all information required to restate prior year amounts was not readily available.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, total assets exceeded liabilities by \$188 million at the close of fiscal year 2014-15, a decrease of 41.4% due to the implementation of GASB 68.

### Net Assets at June 30, 2015 (in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2015	2014	% change	2015	2014	% change	2015	2014	% change
Current Assets	\$ 74,606	\$ 65,172	14.5%	33,534	29,333	14.3%	\$ 108,140	\$ 94,505	14.4%
Non-Current Assets	8,908	17,171	-48.1%	(2,413)	(1,965)	22.8%	6,495	15,206	-57.3%
Capital Assets	240,039	255,631	-6.1%	74,598	69,428	7.4%	314,637	325,059	-3.2%
Total assets	<u>323,553</u>	<u>337,974</u>	-4.3%	<u>105,718</u>	<u>96,796</u>	9.2%	<u>429,271</u>	<u>434,770</u>	-1.3%
Deferred inflow s	9,167	-		757	-		9,924	-	>100.0%
Current and other liabilities	16,805	15,906	5.7%	5,417	6,044	-10.4%	22,222	21,950	1.2%
Long-term liabilities	154,707	54,012	186.4%	53,685	38,208	40.5%	208,392	92,220	126.0%
Total liabilities	<u>180,679</u>	<u>69,918</u>	158.4%	<u>59,859</u>	<u>44,252</u>	35.3%	<u>230,614</u>	<u>114,170</u>	102.0%
Deferred outflow s	25,989	-		2,258	-		28,247	-	>100.0%
Net assets:									
Invested in capital assets, net of related debt	212,968	225,402	-5.5%	32,506	31,513	3.1%	245,473	256,915	-4.5%
Restricted	21,207	14,371	47.6%	-	-	N/A	21,207	14,371	47.6%
Unrestricted	(98,956)	28,283	-449.9%	12,609	21,031	-40.0%	(86,347)	49,314	-275.1%
Total net assets	<u>\$ 135,219</u>	<u>\$ 268,056</u>	-49.6%	<u>45,115</u>	<u>52,544</u>	-14.1%	<u>\$ 180,333</u>	<u>\$ 320,600</u>	-43.8%

By far the largest portion of the City's net position (\$245.5 million) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any outstanding related debt used to acquire those assets. Because the City uses these capital assets to provide services to citizens, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay must be provided from other sources (future income), since the capital assets themselves cannot be used to liquidate these liabilities.

\$21.2 million of the City's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of (\$86.3) million represents unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors within the restrictions set forth by various funding sources.

Total governmental activities assets decreased by \$14.4 million compared to the prior fiscal year 2013-14 for a combination of reasons. The reduction of \$15.6 million in net capital asset is mainly due to the annual depreciation of assets; offset by a \$5.9 million increase in cash and investments, a \$3.3 million increase in accounts receivable, a \$8.7 million decrease in loans receivable, a \$449,000 increase in internal balances, and a \$351,000 increase in other assets.

After adjusting beginning net position due to the implementation of GASB 68, the City's total net position for both governmental and business-type activities increased by \$7.8 million during the current fiscal year. Information about changes in net position is presented in the summary schedule below:

**City of San Leandro**  
**Changes in Net Activities**  
**Year Ended June 30, 2015**  
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2015	2014	% Change	2015	2014	% Change	2015	2014	% Change
<b>Revenues</b>									
Program revenues:									
Charges for Services	\$ 16,063	\$ 14,990	7.2%	\$ 16,879	\$ 15,635	8.0%	\$ 32,942	\$ 30,625	7.6%
Operating grants and contributions	10,517	4,530	132.2%	-	-	0.0%	10,517	4,530	132.2%
Capital grants and contributions	8,039	10,010	-19.7%	-	-	0.0%	8,039	10,010	-19.7%
General revenues:									
Property taxes	18,898	18,514	2.1%	-	-	0.0%	18,898	18,514	2.1%
Sales tax	32,948	29,098	13.2%	-	-	0.0%	32,948	29,098	13.2%
Franchise Fee	4,845	4,582	5.7%	-	-	0.0%	4,845	4,582	5.7%
Utility users Tax	10,359	10,158	2.0%	-	-	0.0%	10,359	10,158	2.0%
Property Transfer Tax	4,112	3,282	25.3%	-	-	0.0%	4,112	3,282	25.3%
911 communication	2,974	2,804	6.1%	-	-	0.0%	2,974	2,804	6.1%
Access Tax	-	-	-	-	-	-	-	-	-
Motor Vehicle License Fees	36	37	-2.9%	-	-	0.0%	36	37	-2.9%
Other taxes	734	653	12.4%	477	417	14.4%	1,211	1,070	13.2%
Investment Earnings	1,192	1,255	-5.0%	260	265	-2.0%	1,452	1,520	-4.5%
Gain or loss on sale of assets	7	16	-56.9%	-	-	0.0%	7	16	-56.9%
Extraordinary Items	-	-	0.0%	-	-	0.0%	-	-	0.0%
Miscellaneous	825	515	60.2%	269	251	7.0%	1,094	766	42.8%
<b>Total Revenues</b>	<b>111,549</b>	<b>100,443</b>	<b>11.1%</b>	<b>17,884</b>	<b>16,568</b>	<b>7.9%</b>	<b>129,434</b>	<b>117,012</b>	<b>10.6%</b>
<b>Expenses</b>									
General Government	10,897	11,609	-6.1%	-	-	0.0%	10,897	11,609	-6.1%
Public safety	47,989	47,180	1.7%	-	-	0.0%	47,989	47,180	1.7%
Engineering & Transportatic	30,567	31,713	-3.6%	-	-	0.0%	30,567	31,713	-3.6%
Recreation and Culture	11,667	11,787	-1.0%	-	-	0.0%	11,667	11,787	-1.0%
Community Development	5,705	5,389	5.9%	-	-	0.0%	5,705	5,389	5.9%
Interest on Long-Term Debt	2,156	2,097	2.8%	-	-	0.0%	2,156	2,097	2.8%
Water Pollution Control	-	-	0.0%	8,803	7,978	10.3%	8,803	7,978	10.3%
Shoreline	-	-	0.0%	1,692	1,922	-12.0%	1,692	1,922	-12.0%
Storm Water Utility	-	-	0.0%	1,105	1,078	2.5%	1,105	1,078	2.5%
Environmental Services	-	-	0.0%	1,020	1,027	-0.6%	1,020	1,027	-0.6%
<b>Total Expenses</b>	<b>108,981</b>	<b>109,775</b>	<b>-0.7%</b>	<b>12,620</b>	<b>12,006</b>	<b>5.1%</b>	<b>121,601</b>	<b>121,781</b>	<b>-0.1%</b>
Excess(deficiency)of revenues over expenses before transfer	2,568	(9,332)	-127.5%	5,264	4,563	15.4%	7,833	(4,769)	-264.2%
Transfer	-	-	0.0%	-	-	0.0%	-	-	0.0%
Increase in net position	2,568	(9,332)	-127.5%	5,264	4,563	15.4%	7,833	(4,769)	-264.2%
Beginning net position	132,650	277,388	-52.2%	39,850	47,982	-16.9%	172,500	325,370	-47.0%
Ending net position	\$ 135,218	\$ 268,056	-49.6%	\$ 45,115	\$ 52,545	-14.1%	\$ 180,333	\$ 320,601	-43.8%

**Revenues:**

- Property tax shows a slight increase of \$384,000 compared to the 2013-14 fiscal year.
- Sales tax revenue continues to increase. Compared to the 2013-14 fiscal year, sales tax grew by \$3.9 million which can be attributed to the continued growth of consumer confidence in the city. The City's largest sales tax producing sectors were Transportation and Business to Business. The General Retail and Food Products sectors also contributed to Sales Tax growth. On a more granular level, the City saw significant sales tax revenue growth in Auto Sales – New, Restaurants, Auto Parts/Repair and Furniture/Appliances. Service Stations saw a decline due to the decrease in prices of gasoline.

Charges for services in Governmental activities are primarily fees for recreation, building, fire, planning and engineering. The overall increase of \$1.1 million is mainly due to the large projects in the city such as the Marea Alta Mixed-Use Housing development, Kaiser Permanente hospital, Tech Campus, and the 21<sup>st</sup> Amendment Brewery. Business license is conversely related to the increase in building permits which increased by \$379,000.

- Operating grants, capital grants and contributions include Federal and State grants and other governments and private contributions, including impact fees. Operating grants, capital grants and contributions were increased by \$4.0 million in 2014-15 for engineering projects.

**Program Expenditures:**

Overall, expenses, for both governmental and business type activities decreased by \$180,000 compared to the prior fiscal year. Total program expenditures for governmental activities increased by 0.7% to \$109.0 million in the current fiscal year. Expenditures for business type activities increased by \$614,000 mainly at Water Pollution Control Plant. For each governmental and business-type activity, the total costs are the expenses associated with that activity.

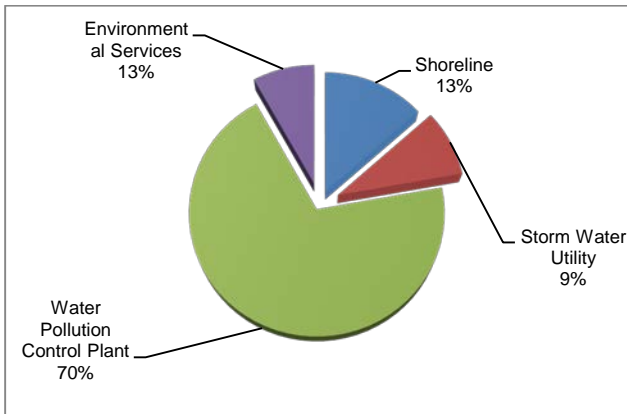
	Change in expense		
	(in thousands)		
	2015	2014	% Change
General Government	10,897	11,609	-6.1%
Public safety	47,989	47,180	1.7%
Engineering & Transportation	30,567	31,713	-3.6%
Recreation and Culture	11,667	11,787	-1.0%
Community Development	5,705	5,389	5.9%
Interest on Long-Term Debt	2,156	2,097	2.8%
Governmental Activities	108,981	109,775	-0.7%
Water Pollution Control	8,803	7,978	10.3%
Shoreline	1,692	1,922	-12.0%
Storm Water Utility	1,105	1,078	2.5%
Environmental Services	1,020	1,027	-0.6%
Business Type Activities	12,620	12,006	5.1%
Total Expenses	121,601	121,781	-0.1%

- Public Safety expenses for both Police and Fire services increased by \$809,000 from the prior fiscal year due to increases in the Fire contract and expanded personnel in the Police Department.

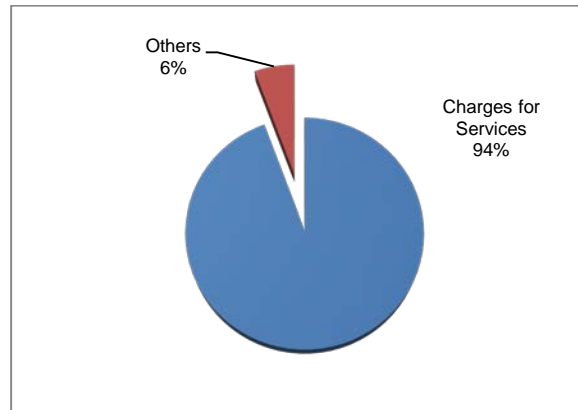


**Business-Type Activities.** The City’s business-type activities include the Water Pollution Control Plant, Shoreline, Storm Water Utility and Environmental Services. Business-Type activities net position increased by \$5.3 million from prior fiscal year due to the continuation of the Water Pollution Control Plant expansion project funded by a loan from the State Water Resource Control Board.

**Expenses by Function - Business-Type Activities**



**Revenues by Source – Business-Type Activities**



**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

**Governmental Funds.** The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial 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. However, it should be noted that most of the unassigned amounts are designated by the City Council for specific uses.

At the end of fiscal year 2014-15, the City’s governmental funds reported combined ending fund balances of \$56.0 million, an increase of \$12.0 million in comparison with the prior year. Approximately 24.7% or \$13.8 million of the fund balance represents Non-Spendable; Restricted fund balance represents 40.4% or \$22.6 million; Assigned fund balance represents of \$1.7 million or 3.1%; and 31.8% or \$17.8 million is Unassigned and is available for spending at the government’s discretion.

**General Fund**

The General Fund, by definition, is a major governmental fund and represents all funds not required to be accounted for in other funds. The General Fund accounted for 82.3% of the total governmental revenues and 83.9% of the total expenditures. A number of primary City services are accounted for in the General Fund, including General government, public safety, development services, library and community services, and maintenance services. At the end of fiscal year 2014-15, the unassigned fund balance of the General Fund was \$19.1 million, while the total fund balance was \$34.8 million. As a measure of the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to total of fund expenditures. The unassigned fund balance represents 25.6% of total General Fund expenditures of \$86.6 million (including Transfers Out). The unassigned fund balance of \$19.1 million has been designated for the following purposes:

- \$5.0 million for major emergencies
- \$7.4 million for economic uncertainty
- \$6.7 million for liquidity

At the end of fiscal year 2014-15 the General Fund ending balance increased by \$5.2 million compared to prior fiscal year. General fund revenues increased by \$6.8 million primarily due to the increase of \$5.6 million (8.1%) in property and other taxes. These increases are good measurements of the economic improvement in the City. The expenditures show an increase of \$4.1 million from prior fiscal year. However, the increase in expenditures for fiscal year 2014-15 compared to prior fiscal year demonstrates growth in building the community and the ability to attract new businesses and increase in housing opportunities which eventually improves the city's financials.

**Non-major Governmental Funds** - The City's non-major funds are presented in the basic financial statements in the aggregate. At June 30, 2015, non-major funds had a total fund balance of \$21.2 million of which all are legally restricted for specific purposes by external funding. More information about these aggregate non-major funds can be found in the combining statements immediately following the required supplementary information.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

The total net position of the enterprise funds decreased by \$7.4 million, mainly reflected in the Water Pollution Control Plant's net pension liability of \$11.2 million offset by net income of \$4.3 million. Net position for internal service funds at June 30, 2015 amounted to \$9.3 million, an increase of \$820,000.

**Water Pollution Control Plant Enterprise Fund** – The Water Pollution Control Plant Enterprise Fund was established to account for the City's sewers, which protect public health and preserve water quality through collection, treatment, and disposal of wastewater and wastewater solids. As of June 30, 2015, the fund's net position totaled nearly \$44.6 million, a decrease of \$8.3 million (18.61%). This decrease is mainly due to the implementation of GASB 68, but it is offset by net income.

**Shoreline Enterprise Fund** - The Shoreline Enterprise Fund was established in 2002-03 by combining the Marina Enterprise and the Golf Course Enterprise Funds. The fund accounts for the operation of recreational berthing, food service facilities, and the public golf course. As of June 30, 2015, the fund's net position totaled (\$1.2) million. The deficit has accumulated over many years and includes the transfer of golf course assets in 2003 pursuant to the City's lease with American Golf Company. The deficit will be eliminated over the next several years through cost containment and revenue enhancement and has decreased in size since FY 2013-14 when it was (\$2.0) million.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund ended a net increase of General Fund revenues over the final budget projections of about \$7.2 million, largely attributed to the increase in property and other tax revenues. Current General Fund revenues grew 8.0% compared to the previous year. Actual revenues received totaled \$91.7 million, an increase of 8.6% from the final budget. As previously discussed, the increase in property and other taxes, which includes sales taxes, positively impacted the City's General Fund revenues. The \$3.9 million in decreased expenditures from the adjusted budget was caused by various factors that include vacant positions and grants that were not fully expended in fiscal year 2014-15.

**CITY OF SAN LEANDRO**  
**Summary Analysis of General Fund Budget, Fiscal Year 2014-15**  
(in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes and other taxes	\$ 68,614	\$ 68,614	\$ 74,486	\$ 5,872
Licenses and permits	6,499	6,499	7,145	646
Fines and forfeitures	1,340	1,340	1,525	185
Services charges	2,551	2,551	3,175	624
Intergovernmental	1,039	1,039	1,248	209
Use of money and property	1,204	1,204	1,165	(40)
Interdepartmental charges	2,002	2,002	2,250	248
Other	1,043	1,238	714	(525)
<b>Total revenues</b>	<b>84,292</b>	<b>84,487</b>	<b>91,707</b>	<b>7,219</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,090	11,610	11,721	(111)
Public safety	49,692	50,050	48,991	1,059
Engineering and transportation	7,514	7,545	7,304	241
Recreation and culture	9,272	10,156	9,417	740
Community development	4,929	5,771	4,185	1,586
Debt service:				
Principal	1,773	1,773	1,414	359
Interest and fees	910	910	903	8
<b>Total expenditures</b>	<b>85,179</b>	<b>87,815</b>	<b>83,934</b>	<b>3,881</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(887)</b>	<b>(3,328)</b>	<b>7,773</b>	<b>11,100</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(1,138)	(2,584)	(2,584)	-
<b>Total other financing sources (uses)</b>	<b>(1,138)</b>	<b>(2,584)</b>	<b>(2,584)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,025)</b>	<b>\$ (5,911)</b>	<b>\$ 5,189</b>	<b>\$ 11,100</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$314.6 million (net of accumulated depreciation); a decrease of \$10.4 million due mainly to normal annual depreciation expense of \$17.4 and offset by new Construction in Progress of \$5.8 million and acquisitions of Machinery, Equipment, and Vehicles totaling \$1.7 million.

Investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar infrastructure.

Major Capital asset activity during the current fiscal year included the Water Pollution Control Plant Expansion Project.

The following is a summary of the City's capital assets:

**City of San Leandro**  
**Capital Assets (net of depreciation)**  
**Year Ended June 30, 2015**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 14,567	\$ 14,566	\$5,234	\$5,234	\$ 19,801	\$ 19,800
Construction in progress	-	-	55,276	49,527	55,276	49,527
Total non-depreciable assets	14,567	14,566	60,510	54,761	75,077	69,327
Depreciable assets (net of depreciation)						
Buildings	60,054	61,644	4,912	5,107	64,966	66,752
Improvements other than buildings	8	36	-	-	8	36
Machinery and equipment	2,307	2,843	5,460	5,750	7,768	8,593
Licensed Vehicles	3,198	2,912	2	5	3,200	2,917
Infrastructure	159,905	173,629	3,714	3,804	163,619	177,433
Total depreciable assets	225,472	241,065	14,088	14,666	239,560	255,731
Total capital assets	\$ 240,039	\$ 255,631	\$ 74,598	\$ 69,427	\$ 314,637	\$ 325,058

Additional information on the City's capital assets can be found in Note 6 of the notes to the financial statements.

**Debt Administration.** At the end of the current fiscal year, the City’s total long-term debt outstanding is \$86.5 million, an increase of \$2.0 million from the prior fiscal year. The net increase will be explained below.

At the end of the current fiscal year, the City’s total long-term debt outstanding for governmental activities is \$44.5 million, a decrease of \$2.2 million from the prior fiscal year. The net decrease primarily reflects normal debt amortization.

At the end of the current fiscal year, the City’s total long-term debt outstanding for business-type activities is \$42.1 million, an increase of \$4.2 million from the prior fiscal year. The net increase primarily reflects additional loans secured from the State Water Resources Board to finance the Wastewater System Expansion and Improvement Project.

Additional information on the City’s long-term debt obligations can be found in Note 7 of the notes to the financial statements.

The following is a summary of the City’s outstanding debt:

<b>City of San Leandro</b>						
<b>Outstanding Debt</b>						
<b>Year Ended June 30, 2015</b>						
<b>(in thousands)</b>						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 24,158	\$ 25,418	\$ -	\$ -	\$ 24,158	\$ 25,418
Certificates of participation	17,605	18,445	-	-	17,605	18,445
Other loans	2,691	2,802	42,092	37,915	44,784	40,717
Total	<u>\$ 44,454</u>	<u>\$ 46,665</u>	<u>\$ 42,092</u>	<u>\$ 37,915</u>	<u>\$ 86,547</u>	<u>\$ 84,580</u>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The economy of the City and major initiative are discussed in the Transmittal Letter located in the Introductory Section of the CAFR.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City’s finances for all of its citizens, taxpayers, customers, investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of San Leandro, Finance Department, 835 East 14<sup>th</sup> Street, San Leandro, CA 94577.

## **BASIC FINANCIAL STATEMENTS**





**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of San Leandro**  
**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments (Note 2)	\$ 59,319,760	\$ 27,765,200	\$ 87,084,960
Cash and investments with fiscal agent (Note 2)	91,982	4,104,000	4,195,982
Receivables:			
Property taxes	169,150	-	169,150
Accounts	14,232,365	1,329,314	15,561,679
Interest	103,538	41,587	145,125
Special assessments	110,998	-	110,998
Inventory and prepaid items	128,728	-	128,728
Other assets	449,201	293,429	742,630
<b>Total current assets</b>	<b>74,605,722</b>	<b>33,533,530</b>	<b>108,139,252</b>
Noncurrent assets:			
Loans receivable (Note 3)	4,454,079	-	4,454,079
Internal balances (Note 5E)	2,413,139	(2,413,139)	-
Advances to Successor Agency (Note 5C)	2,040,768	-	2,040,768
Capital assets (Note 6):			
Non depreciable	14,566,850	60,509,848	75,076,698
Depreciable	487,912,140	24,835,793	512,747,933
Less accumulated depreciation	(262,440,057)	(10,747,544)	(273,187,601)
Capital assets, net	240,038,933	74,598,097	314,637,030
<b>Total noncurrent assets</b>	<b>248,946,919</b>	<b>72,184,958</b>	<b>321,131,877</b>
<b>Total Assets</b>	<b>323,552,641</b>	<b>105,718,488</b>	<b>429,271,129</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension (Note 14)	9,166,855	756,889	9,923,744
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accruals:	10,024,820	974,336	10,999,156
Interest payable	237,951	69,546	307,497
Unearned revenue (Note 9)	2,039,764	-	2,039,764
Other liabilities	-	4,104,000	4,104,000
Compensated absences - Due within one year (Note 8)	620,274	51,986	672,260
Claims and judgments payable - Due within one year (Note 12)	1,170,645	-	1,170,645
Long-term debt - Due within one year (Note 7)	2,711,271	217,141	2,928,412
<b>Total current liabilities</b>	<b>16,804,725</b>	<b>5,417,009</b>	<b>22,221,734</b>
Noncurrent liabilities:			
Deposits	-	59,183	59,183
Compensated absences payable - Due in more than one year (Note 8)	2,594,440	525,642	3,120,082
Claims and judgments payable - Due in more than one year (Note 12)	4,875,901	-	4,875,901
Net pension liability (Note 14)	104,938,827	11,224,629	116,163,456
Net OPEB obligation (Note 15)	422,331	-	422,331
Long-term debt - Due in more than one year (Note 7)	41,875,245	41,875,327	83,750,572
<b>Total noncurrent liabilities</b>	<b>154,706,744</b>	<b>53,684,781</b>	<b>208,391,525</b>
<b>Total Liabilities</b>	<b>171,511,469</b>	<b>59,101,790</b>	<b>230,613,259</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension (Note 14)	25,989,337	2,258,791	28,248,128
<b>NET POSITION (Note 10)</b>			
Net investment in capital assets	212,967,616	32,505,629	245,473,245
Restricted for:			
Capital projects	4,889,031	-	4,889,031
Debt service	823,467	-	823,467
Engineering and transportation	10,616,996	-	10,616,996
Recreation and culture	312,188	-	312,188
Community Development	3,812,785	-	3,812,785
Public Safety	752,159	-	752,159
<b>Total restricted</b>	<b>21,206,626</b>	<b>-</b>	<b>21,206,626</b>
Unrestricted	(98,955,552)	12,609,167	(86,346,385)
<b>Total Net Position</b>	<b>\$ 135,218,690</b>	<b>\$ 45,114,796</b>	<b>\$ 180,333,486</b>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Activities**  
**For the year ended June 30, 2015**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>						
<b>Governmental Activities:</b>						
General government	\$ 10,896,679		\$ 7,442,976	\$ -	\$ 444,500	\$ 7,887,476
Public safety	47,989,126	-	3,364,514	258,680	-	3,623,194
Engineering and transportation	30,566,925		995,715	2,232,764	5,440,118	8,668,597
Recreation and culture	11,667,158	-	1,911,623	427,962	2,154,331	4,493,916
Community development	5,704,907	-	2,348,448	7,597,185	-	9,945,633
Interest on long-term debt	2,156,400	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>108,981,195</b>	<b>-</b>	<b>16,063,276</b>	<b>10,516,591</b>	<b>8,038,949</b>	<b>34,618,816</b>
<b>Business-type activities:</b>						
Water Pollution Control Plant	8,802,564	-	12,996,465	-	-	12,996,465
Shoreline	1,691,932	-	2,038,388	-	-	2,038,388
Storm Water Utility	1,105,054	-	1,070,154	-	-	1,070,154
Environmental Services	1,020,388	-	773,745	-	-	773,745
<b>Total business-type Activities</b>	<b>12,619,938</b>	<b>-</b>	<b>16,878,752</b>	<b>-</b>	<b>-</b>	<b>16,878,752</b>
<b>Total primary government</b>	<b>\$ 121,601,133</b>	<b>\$ -</b>	<b>\$ 32,942,028</b>	<b>\$ 10,516,591</b>	<b>\$ 8,038,949</b>	<b>\$ 51,497,568</b>

**General revenues:**

Taxes:

- Property taxes
- Sales tax
- Franchise fees
- Utility users tax
- Property transfer tax
- 911 communication access tax
- Motor vehicle license fees (unrestricted)
- Other taxes

Total Taxes

- Investment earnings
- Miscellaneous
- Gain on sale of assets

**Total general revenues and transfers**

**Change in net position**

**Net position - Beginning of year (As adjusted Note 10D)**

**Net position - End of year**

See Accompanying Notes to Basic Financial Statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business- Type Activities	Total
\$ (3,009,203)	\$ -	\$ (3,009,203)
(44,365,932)	-	(44,365,932)
(21,898,328)	-	(21,898,328)
(7,173,242)	-	(7,173,242)
4,240,726	-	4,240,726
(2,156,400)	-	(2,156,400)
(74,362,379)		(74,362,379)
-	4,193,901	4,193,901
-	346,456	346,456
-	(34,900)	(34,900)
-	(246,643)	(246,643)
-	4,258,814	4,258,814
(74,362,379)	4,258,814	(70,103,565)
18,898,038	-	18,898,038
32,948,155	-	32,948,155
4,845,086	-	4,845,086
10,359,050	-	10,359,050
4,112,030	-	4,112,030
2,974,313	-	2,974,313
35,936	-	35,936
733,867	477,190	1,211,057
74,906,475	477,190	75,383,665
1,191,893	259,724	1,451,617
825,082	268,689	1,093,771
6,902	-	6,902
76,930,352	1,005,603	77,935,955
2,567,973	5,264,417	7,832,390
132,650,717	39,850,379	172,501,096
\$ 135,218,690	\$ 45,114,796	\$ 180,333,486



## **FUND FINANCIAL STATEMENTS**

**Governmental Fund Financial Statements**  
**Proprietary Fund Financial Statements**  
**Fiduciary Fund Financial Statements**





## GOVERNMENTAL FUND FINANCIAL STATEMENTS

*The General Fund* - Accounts for all general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in other funds.

**City of San Leandro  
Governmental Funds  
Balance Sheet  
June 30, 2015**

	<u>Major Fund</u>		
	<u>General</u>	Non-Major Governmental Funds	<u>Total</u>
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 23,982,898	\$ 22,233,615	\$ 46,216,513
Cash and investments with fiscal agent (Note 2)	-	91,982	91,982
Receivables:			
Property taxes	169,150	-	169,150
Accounts	9,839,854	1,042,741	10,882,595
Federal, State, and local grants	-	2,763,478	2,763,478
Interest	55,147	23,789	78,936
Special Assessment	74,215	36,783	110,998
Loans (Note 3)	3,702,470	751,609	4,454,079
Due from other funds (Note 5A)	1,545,220	-	1,545,220
Other assets	439,474	-	439,474
Advances to other funds (Note 5B)	8,106,392	-	8,106,392
Advance to Successor Agency (Note 5C)	2,040,768	-	2,040,768
<b>Total Assets</b>	<u>\$ 49,955,588</u>	<u>\$ 26,943,997</u>	<u>\$ 76,899,585</u>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Accounts payable and accruals	\$ 8,411,015	\$ 793,799	\$ 9,204,814
Due to other funds (Note 5A)	-	1,545,220	1,545,220
Advances from other funds (Note 5B)	4,693,253	1,075,000	5,768,253
Unearned revenue	2,039,764	-	2,039,764
<b>Total Liabilities</b>	<u>15,144,032</u>	<u>3,414,019</u>	<u>18,558,051</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue - grants receivable	-	2,323,352	2,323,352
<b>Total Deferred Inflow of Resources</b>	<u>-</u>	<u>2,323,352</u>	<u>2,323,352</u>
<b>Fund Balances: (Note 10)</b>			
Nonspendable	13,849,630	-	13,849,630
Restricted	50,000	22,590,294	22,640,294
Assigned	1,766,700	-	1,766,700
Unassigned	19,145,226	(1,383,668)	17,761,558
<b>Total Fund Balances (Deficit)</b>	<u>34,811,556</u>	<u>21,206,626</u>	<u>56,018,182</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 49,955,588</u>	<u>\$ 26,943,997</u>	<u>\$ 76,899,585</u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**with the Statement of Net Position**  
**June 30, 2015**

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**Total fund balances reported on the governmental funds balance sheet** \$ 56,018,182

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

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 237,342,458

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Statement of Activities. 9,292,306

**LONG-TERM ASSETS AND LIABILITIES**

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

Net OPEB obligation	(422,331)
Net pension liability, related deferred outflows and inflows of resources	(121,761,309)
Long-term debt	(44,272,234)
Interest payable	(237,951)
Compensated absences	(3,063,783)
Recognition of grants receivable	<u>2,323,352</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 135,218,690

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2015**

	<u>Major Fund</u>	Non-Major Governmental	
	General	Funds	Total
<b>REVENUES</b>			
Property and other taxes	\$ 74,485,955	\$ 740,159	\$ 75,226,114
Licenses and permits	7,145,284	895,721	8,041,005
Fines and forfeitures	1,524,570	-	1,524,570
Service charges	3,174,722	314,346	3,489,068
Intergovernmental	1,247,506	13,228,800	14,476,306
Use of money and property	1,164,676	2,167,823	3,332,499
Interdepartmental charges	2,250,266	-	2,250,266
Other	713,559	2,302,694	3,016,253
<b>Total Revenues</b>	<b>91,706,538</b>	<b>19,649,543</b>	<b>111,356,081</b>
<b>EXPENDITURES</b>			
Current:			
General Government	11,720,994	-	11,720,994
Public safety	48,991,182	450,240	49,441,422
Engineering and transportation	7,323,705	10,582,191	17,905,896
Recreation and culture	9,416,607	1,064,921	10,481,528
Community development	4,164,877	1,544,068	5,708,945
Debt service:			
Principal	1,413,833	1,111,000	2,524,833
Interest and fees	902,546	1,396,740	2,299,286
<b>Total Expenditures</b>	<b>83,933,744</b>	<b>16,149,160</b>	<b>100,082,904</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,772,794</b>	<b>3,500,383</b>	<b>11,273,177</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 5D)	-	2,604,156	2,604,156
Transfers (out) (Note 5D)	(2,583,594)	(20,562)	(2,604,156)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,583,594)</b>	<b>2,583,594</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,189,200</b>	<b>6,083,977</b>	<b>11,273,177</b>
<b>FUND BALANCES</b>			
Beginning of year	29,622,356	15,122,649	44,745,005
End of year	<u>\$ 34,811,556</u>	<u>\$ 21,206,626</u>	<u>\$ 56,018,182</u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Reconciliation of the Net Change in Fund Balances - Total Government Funds with**  
**the Statement of Activities**  
**For the year ended June 30, 2015**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 11,273,177

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

**CAPITAL ASSET TRANSACTIONS**

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

The capital outlay and other expenditures are therefore added back to fund balance 171,367  
 Depreciation expense is deducted from the fund balance. The amount excludes the depreciation of \$937,858 (15,913,415)

Net retirements are deducted from fund balance. (27,590)

**ACCRUAL OF NON-CURRENT ITEMS**

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in 'governmental funds (net change):

Unearned revenue	119,450
Long-term debt	2,524,833
Bond discount	(12,383)
Bond premium	19,888
Interest payable	12,756
Compensated absences	(18,329)
Net pension liabilities, related deferred outflows and inflows of resources	2,201,593
Net OPEB obligation	1,197,668
Grants receivable	193,087

**ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY**

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

Change in Net Position - All Internal Service Funds 825,871

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 2,567,973

See Accompanying Notes to Basic Financial Statements

## PROPRIETARY FUND FINANCIAL STATEMENTS

***Water Pollution Control Plant*** - This fund accounts for the City's sewers which protect public health and preserve water quality through the collection, treatment and disposal of the community's wastewater and wastewater solids.

***Shoreline*** - The City operates various recreational facilities which include golf and marina berthing as well as providing food service facilities for the general public in an area connected to the San Francisco Bay.

***Internal Service Funds*** - These funds are used to account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

**City of San Leandro**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Major Enterprise Funds		Non- Major		Governmental
	Water		Enterprise	Total	Activities-
	Pollution	Shoreline	Funds		Internal Service
	Control Plant				Funds
<b>ASSETS</b>					
Current Assets:					
Cash and investments (Note 2)	\$ 24,674,912	\$ 1,216,809	\$ 1,873,479	\$ 27,765,200	\$ 13,103,247
Cash with Fiscal Agent (Note 2)	4,104,000	-	-	4,104,000	-
Receivables:					
Accounts	792,176	437,709	99,429	1,329,314	586,292
Interest	37,681	749	3,157	41,587	24,602
Other assets	-	293,429	-	293,429	9,727
Inventory	-	-	-	-	128,728
<b>Total current assets</b>	<b>29,608,769</b>	<b>1,948,696</b>	<b>1,976,065</b>	<b>33,533,530</b>	<b>13,852,596</b>
Noncurrent assets:					
Advance to other fund (Note 5B)	4,693,253	-	-	4,693,253	75,000
Capital assets (Note 6)					
Non - Depreciable	56,932,038	3,577,810	-	60,509,848	-
Depreciable	19,057,541	5,778,252	-	24,835,793	13,512,117
Less accumulated depreciation	(7,544,097)	(3,203,447)	-	(10,747,544)	(10,815,642)
<b>Total capital assets, net</b>	<b>68,445,482</b>	<b>6,152,615</b>	<b>-</b>	<b>74,598,097</b>	<b>2,696,475</b>
<b>Total noncurrent assets</b>	<b>73,138,735</b>	<b>6,152,615</b>	<b>-</b>	<b>79,291,350</b>	<b>2,771,475</b>
<b>Total Assets</b>	<b>102,747,504</b>	<b>8,101,311</b>	<b>1,976,065</b>	<b>112,824,880</b>	<b>16,624,071</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pension (Note 14)	756,889	-	-	756,889	-
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	609,093	319,331	45,912	974,336	820,006
Interest payable	-	69,546	-	69,546	-
Other liabilities	4,104,000	-	-	4,104,000	-
Clams and judgments - due in 1 year (Note 12)	-	-	-	-	1,170,645
Compensated absences - due in 1 year (Note 8)	30,605	7,896	13,485	51,986	13,584
Notes payable - due in 1 year (Note 7)	-	217,141	-	217,141	-
Long-term debt - Due within one year (Note 7)	-	-	-	-	154,369
<b>Total current liabilities</b>	<b>4,743,698</b>	<b>613,914</b>	<b>59,397</b>	<b>5,417,009</b>	<b>2,158,604</b>
Non-current Liabilities:					
Deposits payable	3,000	56,183	-	59,183	-
Advances from other funds (Note 5B)	-	7,106,392	-	7,106,392	-
Clams and judgments - due in more than 1 year (Note 12)	-	-	-	-	4,875,901
Compensated absences - due in more than 1 year (Note 8)	309,452	79,841	136,349	525,642	137,347
Net pension liability (Note 14)	11,224,629	-	-	11,224,629	-
Notes Payable - due in more than 1 year (Note 7)	40,408,504	1,466,823	-	41,875,327	-
Long-term debt - Due in more than one year (Note 7)	-	-	-	-	159,913
<b>Total noncurrent liabilities</b>	<b>51,945,585</b>	<b>8,709,239</b>	<b>136,349</b>	<b>60,791,173</b>	<b>5,173,161</b>
<b>Total liabilities</b>	<b>56,689,283</b>	<b>9,323,153</b>	<b>195,746</b>	<b>66,208,182</b>	<b>7,331,765</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pension (Note 14)	2,258,791	-	-	2,258,791	-
<b>NET POSITION (Note 10)</b>					
Net investment in capital asset	28,036,978	4,468,651	-	32,505,629	2,382,193
Unrestricted	16,519,341	(5,690,493)	1,780,319	12,609,167	6,910,113
<b>Total Net Position (deficit)</b>	<b>\$ 44,556,319</b>	<b>\$ (1,221,842)</b>	<b>\$ 1,780,319</b>	<b>\$ 45,114,796</b>	<b>\$ 9,292,306</b>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2015**

	Major Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline	Non- Major Enterprise Funds		
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 11,885,433	\$ 628,479	\$ 1,423,096	\$ 13,937,008	\$ 13,298,534
Licenses and permits	590,778	16,113	324,425	931,316	-
Rents and concessions	-	1,346,023	-	1,346,023	-
Other operating revenues	520,254	47,773	96,378	664,405	859,851
<b>Total Operating Revenues</b>	<b>12,996,465</b>	<b>2,038,388</b>	<b>1,843,899</b>	<b>16,878,752</b>	<b>14,158,385</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	4,544,806	524,654	1,210,211	6,279,671	3,307,462
Contractual and other services	1,967,380	262,687	343,374	2,573,441	6,479,377
Materials and supplies	444,587	31,702	51,935	528,224	807,707
Depreciation	404,606	114,028	-	518,634	986,629
Other operating costs	1,441,185	313,979	519,922	2,275,086	1,880,612
<b>Total Operating Expenses</b>	<b>8,802,564</b>	<b>1,247,050</b>	<b>2,125,442</b>	<b>12,175,056</b>	<b>13,461,787</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,193,901</b>	<b>791,338</b>	<b>(281,543)</b>	<b>4,703,696</b>	<b>696,598</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Property and other taxes	-	477,190	-	477,190	-
Intergovernmental	-	-	268,689	268,689	-
Investment income	252,535	3,259	3,930	259,724	130,130
Interest expense	-	(444,882)	-	(444,882)	(857)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>252,535</b>	<b>35,567</b>	<b>272,619</b>	<b>560,721</b>	<b>129,273</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>4,446,436</b>	<b>826,905</b>	<b>(8,924)</b>	<b>5,264,417</b>	<b>825,871</b>
<b>TRANSFERS:</b>					
Transfers in (Note 5D)	-	-	132,782	132,782	-
Transfers (out) (Note 5D)	(132,782)	-	-	(132,782)	-
<b>Total operating transfers</b>	<b>(132,782)</b>	<b>-</b>	<b>132,782</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>4,313,654</b>	<b>826,905</b>	<b>123,858</b>	<b>5,264,417</b>	<b>825,871</b>
<b>NET POSITION (DEFICIT):</b>					
Net Position-Beginning of year, as adjusted (Note 10D)	\$40,242,665	(2,048,747)	1,656,461	\$39,850,379	8,466,435
Net Position-Ending of year	\$ 44,556,319	\$ (1,221,842)	\$ 1,780,319	\$ 45,114,796	\$ 9,292,306

See Accompanying Notes to Basic Financial Statements



**City of San Leandro**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2015**

	Major Enterprise Funds		Non- Major Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 13,121,526	\$ 1,602,250	\$ 1,810,859	\$ 16,534,635	\$ 839,705
Receipts from interfund charges	-	-	-	-	13,289,231
Cash payment to suppliers and service providers	(3,277,381)	(44,157)	(384,029)	(3,705,567)	(7,604,010)
Cash payments to employees for services	(4,498,650)	(493,139)	(1,195,799)	(6,187,588)	(3,327,139)
Cash payments to other funds for services provided	(1,441,185)	(313,979)	(519,090)	(2,274,254)	(1,880,612)
<b>Net cash provided (used) by operating activities</b>	<b>3,904,310</b>	<b>750,975</b>	<b>(288,059)</b>	<b>4,367,226</b>	<b>1,317,175</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Property and other taxes received	-	477,190	-	477,190	-
Intergovernmental revenue received	-	-	268,689	268,689	-
Interfund loan	448,519	-	-	448,519	-
Transfers in from other funds	-	-	132,782	132,782	-
Transfer out to other funds	(132,782)	-	-	(132,782)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>315,737</b>	<b>477,190</b>	<b>401,471</b>	<b>1,194,398</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal paid on capital debt	-	(207,790)	-	(207,790)	-
Acquisition of capital assets	(5,689,063)	(138)	-	(5,689,201)	(1,163,836)
Proceeds from long-term debt	4,385,603	-	-	4,385,603	314,282
Interest payments on bonds and notes payable	-	(453,453)	-	(453,453)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(1,303,460)</b>	<b>(661,381)</b>	<b>-</b>	<b>(1,964,841)</b>	<b>(849,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income (expense)	252,544	3,258	3,934	259,736	129,277
<b>Net cash provided (used) by investing activities</b>	<b>252,544</b>	<b>3,258</b>	<b>3,934</b>	<b>259,736</b>	<b>129,277</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,169,131</b>	<b>570,042</b>	<b>117,346</b>	<b>3,856,519</b>	<b>596,898</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	25,609,781	646,767	1,756,133	28,012,681	12,506,349
Cash and investments at end of year	\$ 28,778,912	\$ 1,216,809	\$ 1,873,479	\$ 31,869,200	\$ 13,103,247
<b>RECONCILIATION OF OPERATING INCOME/ (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 4,193,901	\$ 791,338	\$ (281,543)	\$ 4,703,696	\$ 696,598
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	404,606	114,028	-	518,634	986,629
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	125,061	(143,590)	(33,040)	(51,569)	(20,146)
(Increase) decrease in inventories	-	-	-	-	(2,296)
(Increase) decrease in other assets	-	(\$293,009)	832	(292,177)	(8,702)
(Decrease) increase in accounts payable	(1,386,515)	250,232	11,280	(1,125,003)	311,122
(Decrease) increase in deposits payable	-	461	-	461	-
(Decrease) increase claims and judgments payable	488,603	-	-	488,603	(626,353)
(Decrease) increase in unearned revenue	-	-	-	-	-
(Decrease) increase in compensated absences	46,156	31,515	14,412	92,083	(19,677)
(Decrease) increase in deferred outflow	(756,889)	-	-	(756,889)	-
(Decrease) increase in deferred inflow	2,258,791	-	-	2,258,791	-
(Decrease) increase in net pension liability	(1,469,404)	-	-	(1,469,404)	-
<b>Total adjustments</b>	<b>(289,591)</b>	<b>(40,363)</b>	<b>(6,516)</b>	<b>(336,470)</b>	<b>(383,349)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 3,904,310</b>	<b>\$ 750,975</b>	<b>\$ (288,059)</b>	<b>\$ 4,367,226</b>	<b>\$ 1,317,175</b>

See Accompanying Notes to Basic Financial Statements

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's programs.

*Private Purpose Trust Funds* are fiduciary fund types used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

**City of San Leandro**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	Agency Funds	Private-Purpose Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments (Note 2)	\$ 2,544,320	\$ 2,467,234
Cash and investments with fiscal agents (Note 2)	448,960	5,246,151
Accounts receivable	2,404	3,600
Special assessment receivable	(748)	
Interest receivable	671	8,755
Total Current Assets	<u>2,995,607</u>	<u>7,725,740</u>
Noncurrent assets:		
Capital assets (Note 17C):		
Land	-	2,949,885
Depreciable assets, net	-	1,341,029
Total non-current assets	<u>-</u>	<u>4,290,914</u>
<b>Total assets</b>	<u><u>\$ 2,995,607</u></u>	<u><u>\$ 12,016,654</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 179,276	\$ 204,542
Deposits payable	1,363,582	-
Interest payable	-	615,456
Advance from general fund (Note 17B)	-	2,040,768
Long-term debt - due in one year (Note 17D)	-	2,770,988
Due to bondholders	1,452,749	-
Other liabilities	-	146,931
Total current liabilities	<u>\$ 2,995,607</u>	<u>5,778,685</u>
Noncurrent Liabilities:		
Long-term debt - due in more than one year (Note 17D)		<u>43,959,675</u>
Total non current liabilities		<u>43,959,675</u>
<b>Total liabilities</b>		<u>49,738,360</u>
<b>NET POSITION</b>		
Held in trust for private purposes		<u><u>\$ (37,721,706)</u></u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2015**

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Additions:	
Property taxes	\$ 3,999,783
Use of money and property	30,307
Other revenue	<u>20</u>
Total additions	<u>4,030,110</u>
Deductions:	
Community development	6,797,871
Depreciation	34,282
Interest and Fees	<u>2,014,440</u>
Total deductions	<u>8,846,593</u>
Change in net position	(4,816,483)
NET POSITION HELD IN TRUST	
Net position - beginning	<u>(32,905,223)</u>
Net position - end	<u><u>\$ (37,721,706)</u></u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**City of San Leandro**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2015 (Continued)**

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**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of San Leandro, California, (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies in the United States. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of San Leandro, California (City) was incorporated in 1872 and is situated between the cities of Oakland and Hayward in the East Bay of the San Francisco Bay Area. The City operates under the Mayor-Council-Manager form of government created by charter in 1978 and provides the following services: public safety (police, fire, disaster preparedness and hazardous waste disposal), highways and streets, sanitation, health services, public improvements, planning and zoning and general administration services.

The City is governed by a seven-member council elected by City residents. The City is legally separate and fiscally independent, which means it can issue debt, set and modify budgets and fees and sue or be sued. As required by generally accepted accounting principles, the financial statements include the financial activities of the City - the primary government - and its component units.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The blended component units discussed below are included in the City of San Leandro's basic financial statements in which the City Council functions as the governing board:

**The City of San Leandro Parking Authority** (Parking Authority) was established to issue debt for downtown parking structures and lots. There are no financial activities to be accounted for in the Parking Authority Debt Service Fund in this fiscal year.

**The San Leandro Public Financing Authority** (Financing Authority) was established to issue debt for the Seismic Retrofitting capital project and other community related financing programs. The financial activities are accounted for in the San Leandro Public Financing Authority Debt Service Fund in the accompanying basic financial statements.

The above component units are included in the City's basic financial statements using the blended method since the governing body of these component units are substantially the same as the governing body of the City and these component units provide services entirely to the City.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***B. Government–Wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its components units. For the most part, the effect of interfund activity has been removed from these statements except in the case of interfund services provided and used, which are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government–wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both *measurable* and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. The City considers sales taxes and property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Sales taxes, property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City also reports the following major proprietary funds:

*Water Pollution Control Plant Fund* accounts for the City's sewers which protect public health and preserve water quality.

*Shoreline Fund* accounts for various recreational facilities which include golf and marina berthing as well as providing food service facilities for the general public in an area connected to the San Francisco Bay.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. The City's *Internal Service Funds* account for Information Systems Management, Building Maintenance, Self-Insurance and Equipment Maintenance which provides service to other departments of the City on a cost reimbursement basis.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Fiduciary fund financial statements normally include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent a private purpose trust fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. As a result, a statement of Changes in Fiduciary Net Position is not presented in this report. The City's *Fiduciary Funds* includes the Deposits Fund which accounts for all deposits held on behalf of other persons and businesses and the Cherrywood Fund accounts for monies accumulated for payments of special assessment bonds.

***D. Recognition of Interest Liability***

In the government-wide financial statements, interest payable of long-term debt is recognized as the liability is incurred for governmental fund types as wells as proprietary fund types.

In the fund financial statements, the Governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statement when payment is made. Proprietary fund types recognize the interest payable when the liability is incurred.

***E. Use of Restricted and Unrestricted Net Position***

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the City's policy is to apply restricted net position first.

***F. Cash, Cash Equivalents and Investments***

The City pools cash and investments from all sources, except the fiscal agent cash and investments, for the purpose of increasing income through investment activities. Interest income on investments is allocated on the basis of average month-end cash and investment balances in each fund. Cash and cash equivalents represent cash and investments and restricted cash and investments with an original maturity term of three months or less. Pooled cash and investments allocated to proprietary fund types are considered cash and cash equivalents since specific investments held in the City's pooled cash and investments are not allocated to each fund.

The City invests in the California Local Agency Investment Fund ("LAIF"), which is part of the Pooled Money Investment Account operated by the California State Treasurer. LAIF funds are invested in high quality money market securities and are managed to insure the safety of the portfolio. A portion of LAIF's investments are in structured notes and asset-backed securities.

LAIF determines fair value on its investment portfolio based on market quotations for these securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

In accordance with GASB Statement No. 31, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***G. Inventory***

Inventory is held for consumption and is valued at average cost. Internal service fund supplies consist of materials and supplies for the various City vehicles (tires, batteries, etc.) and building maintenance, which are used for replacement parts for vehicle service and to maintain City buildings. Information management service inventory consists of postage for department use and a monthly count is performed to adjust this account to actual at the appropriate month-end.

***H. Capital Assets***

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$7,500. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50 years
Improvements other than buildings	20 years
Machinery and equipment	5-15 years
Licensed Vehicles	3-15 years
Infrastructure	20-50 years

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City included all infrastructures into the 2014-15 Basic Financial Statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, un-recovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***I. Long-Term Debt***

In Government-Wide Financial Statements, long-term debt and other financed obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds Payable are reported net of the applicable premium or discount.

In Fund Financial Statements long-term debt is not presented but is instead shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

***J. Compensated Absences***

Vested vacation, sick leave, compensatory time, and related benefits are accrued as appropriate. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For enterprise funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and non-current liabilities in the appropriate enterprise funds.

***K. Property Taxes***

Property taxes are placed on lien on January 1<sup>st</sup> for the following fiscal year. Taxes are payable in two installments, due on November 1 and February 1, becoming delinquent on December 10 (for November) and April 10 (for February), respectively. The Alameda County Tax Collector bills and collects property taxes and allocates a portion to the City as billed. Property tax revenues are recognized in the fiscal year, for which the taxes have been levied, provided they become available. In January, 1994, the City elected to continue collection of interest and penalties on delinquent taxes and recognizes these revenues when available. Available means when due or past due and collected within the current period, or expected to be collected soon thereafter, and to be used to pay liabilities of the current period.

***L. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires City management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

***M. Implementation of New GASB Pronouncements***

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The intention of this Statement is to improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GASB Statement No. 71** – in 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The intention of this Statement is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

**NOTE 2 - CASH AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the Finance Director invests to enhance interest earnings. The pooled interest earned is allocated to the funds based on average daily cash and investment balance in these funds.

**A. Cash Deposits**

The carrying amount of the City's cash deposits is \$4,785,983 at June 30, 2015. Bank balances before reconciling items were \$5,186,782, at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

***B. Investments***

Under the provisions of the City's investment policy, and in accordance with California Government Code, the City's Cash and investments as of June 30, 2015, are classified as follows:

Statement of net position:	
Cash and Investments	\$ 87,084,960
Cash and Investments held by trustee	4,195,982
Fiduciary Funds:	
Cash and Investments	5,011,554
Cash with fiscal agents	<u>5,695,111</u>
Total cash and investments	<u>\$ 101,987,607</u>

Cash and investments as of June 30, 2015, are classified as follows:	
Deposits with financial institutions	\$ 4,785,983
Investments	<u>97,201,624</u>
Total cash and investments	<u>\$ 101,987,607</u>

*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, there is a greater sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations.

In accordance with the Policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 5 years or less. The City is in compliance with this provision of the Policy.

Information about the sensitivity of the fair values of the City's Investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

Investment Type	Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months
Federal agency securities	\$ 18,140,147	\$ 6,835,490	\$ 4,347,283	\$ 6,957,374
Money Market Fund	953,667	953,667		
U.S. Treasury Notes	10,802,784	2,349,015	3,139,430	5,314,339
Local Agency Investment Fund (LAIF)	50,883,632	50,883,632		
Medium-Term Notes	9,899,764	1,887,501	3,331,296	4,680,967
Held by fiscal agent:				
U.S. Treasury Money Market Funds	<u>6,521,630</u>	<u>6,521,630</u>		
Total	<u>\$ 97,201,624</u>	<u>\$ 69,430,935</u>	<u>\$ 10,818,009</u>	<u>\$ 16,952,680</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

*Investments Authorized by the City's Investment Policy and California Government Code*

The table below identifies the investment types that are authorized for the City by the City's Investment Policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the related bond documents.

Investment Type	Maximum Maturity	Maximum Percentage of *Portfolio
U.S. Treasury Obligations	5 years	None
U.S. Agency Securities	5 years	None
Bankers Acceptances	180 days	40%
Commercial Paper	270 days	25%
Negotiable Certificate of Deposit	5 years	30%
Repurchase Agreements	1 year	20%
Reverse Repurchase Agreements	92 days	20%
Medium Term Notes	5 years	30%
Mutual Funds	N/A	20%
Money Market Mutual Funds	N/A	20%
Local Agency Investment Fund (LAIF)	N/A	\$40 million per account
Passbook Accounts	5 years	None
City Issued Securities	N/A	None
Other investment pools	N/A	None

\*excluding amounts held by bond trustee that are not subject to California Government Code

*Investments in Local Agency Investment Fund*

The City invests in the Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The City valued its investments in LAIF as of June 30, 2015, at the market value. The fair value is calculated by multiplying the account balance with LAIF times a fair value factor of 1.000375979 which is determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value.

The City's investments with Local Agency Investment Funds (LAIF) at June 30, 2015, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend on one or more indices and/or that have embedded forwards or options.
- Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

*Concentration of Credit Risk*

The City's Policy states that the investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristic of the portfolio. Purchases of mutual funds must not exceed 20% of the value of the portfolio. Investments in U.S. agencies exceed 5% of total portfolio, and Federal agency investments exhibited below exceeded 5% percent or more of the total investments in any one issuer:

<u>U.S. Agencies</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal agency securities:		
Federal National Mortgage Association (FNMA)	\$ 6,945,545	7.15%
Total	<u>\$ 6,945,545</u>	<u>7.15%</u>

*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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Entity's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

The City's policy requires that the management company of mutual funds must have attained the highest rating provided by not less than two of the three largest nationally recognized rating organizations.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Not Rated</u>	<u>AAA</u>	<u>AA+</u>	
Federal agency securities	\$ 18,140,147	N/A				\$18,140,147	
Money Market Fund	953,667	N/A			\$ 953,667		
U.S. Treasury Notes	10,802,784	N/A	\$ 10,802,784				
Local Agency Investment Fund	50,883,632	N/A		\$ 50,883,632			
Medium-Term Notes	9,899,764	A				1,002,780	
Held by fiscal agent:							
U.S. Treasury Money Market Funds	<u>6,521,630</u>	A				<u>6,521,630</u>	
Total	<u>\$ 97,201,624</u>		<u>\$ 10,802,784</u>	<u>\$ 50,883,632</u>	<u>\$ 953,667</u>	<u>\$25,664,557</u>	
			<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>A</u>	<u>A-</u>
Medium-Term Notes			<u>\$1,180,408</u>	<u>\$ 1,748,518</u>	<u>\$ 2,187,373</u>	<u>\$3,273,400</u>	<u>\$ 507,285</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 3 – LOANS RECEIVABLE**

At June 30, 2015, the City had loans receivable in the following funds:

<b>Governmental Funds:</b>	
General Fund	\$ 3,702,470
Non Major Special Revenue Funds:	
Affordable Housing Asset Special Revenue Fund	8,246,423
Community Development Block Grant (CDBG)	726,946
HOME Fund	3,335,000
Housing In-Lieu	637,000
Less allowance for uncollectible loans	<u>(12,193,760)</u>
 Total net loans receivable	 <u><u>\$ 4,454,079</u></u>

At June 30, 2015, the City was owed, in the General Fund, \$1,092,763 for a loan made by the City to the San Leandro Unified School District related to property acquisition. The loan is for purchase of a property in the City that will be used to directly support the educational and administrative function of the District. The loan is evidenced by a promissory note with a term of 15 years and is to be repaid in full on August 1, 2028. The interest rates range from 1.5% to a maximum of 5%.

At June 30, 2015, the City was owed, in the General Fund, \$1,109,707 for a loan made by the City to Alameda County Industries Inc. (ACI). The loan is to refurbish ACI's Materials Recovery Facility in order to expand operations to take in more solid waste, recyclable, and green waste tonnage. The loan is evidenced by a promissory note with a term of 10 years and is to be repaid in full on July 1, 2025. The interest rate is 2.5% per annum.

At June 30, 2015, the City was owed, in the General Fund, \$1,500,000 for a loan made by the City to Davis Street Community Center Incorporated. The loan is to assist in the opening of a community health clinic. The loan is evidenced by a promissory note with a term of 2 years and is to be repaid in full on August 1, 2016. The interest rate is 4.5% per annum.

At June 30, 2015, the City was owed, in its Low/Moderate Asset Housing Fund, \$8,246,423 which includes (1) loans made to the City property owners who meet the HUD requirements for financial assistance for property improvements and first time home buyer loans; (2) a loan made to Ruth Rogers and Sara Bagwell; (3) a loan made to Eden Housing, Inc.; (4) a loan made to San Leandro Senior Housing; (5) a loan made to Citizens' Housing Corporation for property improvements; and (6) a loan made to Mercy Housing for the construction of the Casa Verde. \$7,494,814 of the total receivable was reduced by allowance for uncollectible loans.

At June 30, 2015, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$726,946 for various housing assistance loans made by the City. The terms of repayment vary. All of the loans receivable was reduced by allowance for uncollectible loans.

At June 30, 2015, the City was owed, in its HOME Special Revenue Fund, \$3,350,000 which includes (1) a housing assistance loan made by the City to Citizens' Housing Corporation; (2) The terms of repayment vary. All of the loans receivable was reduced by allowance for uncollectible loans.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 3 – LOANS RECEIVABLE (Continued)**

At June 30, 2015, the City was owed, in its Housing In-Lieu Special Revenue Fund, \$637,000 for a housing assistance loan made by the City to the Estabrook Senior Housing for low-moderate housing construction. The terms of repayment vary. All of the loans receivable was reduced by allowance for uncollectible loans.

**NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

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

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Receivables and Payables**

At June 30, 2015, the City had the following short-term receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,545,220

The City has recorded due to/due from all funds requiring cash at the end of June 30, 2015 to the funds that had deficit year-end balances which will be repaid back to the General Fund during the 2015-16 fiscal year.

**B. Long-Term Advances**

Long-term advances to be repaid out of future earnings or charges at June 30, 2015, consisted of:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,000,000
	Shoreline Enterprise Fund	<u>7,106,392</u>
		8,106,392
Internal Service Fund	Non-Major Governmental Funds	75,000
Water Pollution Control Plant Enterprise Fund	General Fund	<u>4,693,253</u>
	<b>Total</b>	<u><u>\$ 12,874,645</u></u>

The City Council authorized a General Fund loan to the Capital Improvement Project fund for the improvement project on Davis Street. The loan accrues interest annually at the pooled cash investment rate. The balance as of June 30, 2015, was \$1,000,000.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

The City Council authorized General Fund loans to the Shoreline Enterprise Fund for capital improvements at the Marina and Golf Course. The loans are to be paid over 30 years with an annual interest accrual rate of 5%. Principal payments are made annually provided the fund has sufficient resources. The balance as of June 30, 2015, was \$3,160,152 and \$3,946,240 for the Marina and the Golf Course, respectively, for a total of \$7,106,392.

The City Council authorized a loan from the Information Management Internal Service Fund to the Public Education & Government Special Revenue Fund for the Council Chambers upgrade to provide televised meetings. The balance as of June 30, 2015, was \$75,000.

The City Council authorized a loan to the General Fund from the Water Pollution Control Plant for the partial payment of the Public Safety Side Fund Obligation. The \$6,000,000 loan was to pay-down the CalPERS Public Safety Side Fund with a long term adjustable rate of 4% or less annually for 13 years. The balance as of June 30, 2015, was \$4,693,253.

**C. Due from Successor Agency**

The City Council authorized various loans to the Private Purpose Trust Fund from the General Fund for operating and capital improvement purposes. The balance as of June 30, 2015, was \$2,040,768.

**D. Transfers**

Transfers during the fiscal year ended June 30, 2015, comprised the following:

Transfers In	Transfers Out:			
	General Fund	Non-major Governmental Funds	Water Pollution Control Plant	Total
Non-major Governmental Funds	\$ 2,583,594	\$ 20,562	\$ -	\$ 2,604,156
Non-major Enterprise Funds	-	-	132,782	132,782
<b>Total</b>	<b>\$ 2,583,594</b>	<b>\$ 20,562</b>	<b>\$ 132,782</b>	<b>\$ 2,736,938</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

The City Council authorized transfers from the General Fund to various funds for fiscal year 2014-2015 to the following accounts and projects:

Special Gas Tax Fund	\$ 738,000	Street Improvement Projects
Business Improvement District Fund	50,000	Business Improvement Projects
Capital Improvement Fund	<u>1,795,594</u>	Capital Improvement Projects
	<u>\$ 2,583,594</u>	

**E. Internal Balances**

Internal balances are presented only in the government-wide financial statements. They represent the net interfund receivables and payables remaining after the elimination of all such balances within government and business-type activities.

**NOTE 6 – CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

At June 30, 2015, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 14,566,850	\$ 5,234,310	\$ 19,801,160
Construction in Progress		55,275,538	55,275,538
Total non-depreciable assets	<u>14,566,850</u>	<u>60,509,848</u>	<u>75,076,698</u>
Depreciable assets:			
Buildings	82,063,548	11,012,283	93,075,831
Improvements	4,692,847	113,416	4,806,263
Machinery and Equipment	9,568,480	8,932,968	18,501,448
Licensed Vehicles	10,945,657	84,923	11,030,580
Infrastructure:			
Park Irrigation Systems	4,668,420		4,668,420
Medians Irrigation	10,145,502		10,145,502
Park Structures	2,848,650		2,848,650
Roadway	250,615,643		250,615,643
Sidewalk	74,895,578		74,895,578
Curb and Gutter	37,447,790		37,447,790
Underground Piping and Storm Drain	20,025	4,692,203	4,712,228
<b>Total depreciable assets</b>	<u>487,912,140</u>	<u>24,835,793</u>	<u>512,747,933</u>
Less accumulated depreciation	<u>(262,440,057)</u>	<u>(10,747,544)</u>	<u>(273,187,601)</u>
Total depreciable assets, net	<u>225,472,083</u>	<u>14,088,249</u>	<u>239,560,332</u>
<b>Total capital assets</b>	<u>\$ 240,038,933</u>	<u>\$ 74,598,097</u>	<u>\$ 314,637,030</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 6 – CAPITAL ASSETS (Continued)**

The following is a summary of capital assets for governmental activities:

	<u>Balance July 1, 2014</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Balance June 30, 2015</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 14,566,850	\$	\$	\$ 14,566,850
<b>Total Non-Depreciable Assets</b>	<u>14,566,850</u>			<u>14,566,850</u>
<b>Depreciable Assets:</b>				
Buildings	82,063,548			82,063,548
Improvements	4,692,847			4,692,847
Machinery and equipment	9,542,269	331,461	(305,250)	9,568,480
Licensed Vehicles	9,966,199	1,413,803	(434,345)	10,945,657
Infrastructure	<u>380,641,608</u>			<u>380,641,608</u>
<b>Total Depreciable Assets</b>	<u>486,906,471</u>	<u>1,745,264</u>	<u>(739,595)</u>	<u>487,912,140</u>
<b>Accumulated Depreciation:</b>				
Buildings	(20,419,165)	(1,590,385)		(22,009,550)
Improvements	(4,657,298)	(27,223)		(4,684,521)
Machinery and equipment	(6,699,283)	(840,145)	278,286	(7,261,142)
Licensed Vehicles	(7,053,778)	(717,817)	23,657	(7,747,938)
Infrastructure	<u>(207,012,432)</u>	<u>(13,724,474)</u>		<u>(220,736,906)</u>
<b>Total Accumulated Depreciation</b>	<u>(245,841,956)</u>	<u>(16,900,044)</u>	<u>301,943</u>	<u>(262,440,057)</u>
<b>Depreciable Assets, Net</b>	<u>241,064,515</u>	<u>(15,154,780)</u>	<u>(437,652)</u>	<u>225,472,083</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 255,631,365</u>	<u>\$ (15,154,780)</u>	<u>\$ (437,652)</u>	<u>\$ 240,038,933</u>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2015, are as follows:

General Government	\$ 318,268
Public Safety	477,402
Transportation	13,208,135
Recreation and Human services	1,591,342
Community Development	<u>318,268</u>
Subtotal	15,913,415
Capital assets held by the City's Internal Service Funds	<u>986,629</u>
<b>Total Depreciation Expense</b>	<u>\$ 16,900,044</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 6 – CAPITAL ASSETS (Continued)**

The following is a summary of capital assets for business-type activities:

	<b>Balance July 1, 2014</b>	<b>Additions and Transfers</b>	<b>Deletions and Transfers</b>	<b>Balance June 30, 2015</b>
<b>Non-Depreciable Assets:</b>				
Land	\$ 5,234,310	\$	\$	\$ 5,234,310
Construction in Progress	49,527,138	5,748,400		55,275,538
<b>Total Non-Depreciable Assets</b>	<b>54,761,448</b>	<b>5,748,400</b>		<b>60,509,848</b>
<b>Depreciable Assets:</b>				
Buildings	11,012,283			11,012,283
Improvements	113,416			113,416
Machinery and equipment	9,389,787		(456,819)	8,932,968
Licensed Vehicles	84,923			84,923
Infrastructure	4,692,203			4,692,203
<b>Total Depreciable Assets</b>	<b>25,292,612</b>		<b>(456,819)</b>	<b>24,835,793</b>
<b>Accumulated Depreciation:</b>				
Buildings	(5,905,059)	(195,509)		(6,100,568)
Improvements	(113,416)			(113,416)
Machinery and equipment	(3,639,964)	(230,201)	397,620	(3,472,545)
Licensed Vehicles	(79,989)	(2,666)		(82,655)
Infrastructure	(888,102)	(90,258)		(978,360)
<b>Total Accumulated Depreciation</b>	<b>(10,626,530)</b>	<b>(518,634)</b>	<b>397,620</b>	<b>(10,747,544)</b>
<b>Total Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ 69,427,530</b>	<b>\$ 5,229,766</b>	<b>\$ (59,199)</b>	<b>\$ 74,598,097</b>

**B. Funds Financial Statements**

The Funds Financial Statements do not present General Government Capital Assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT**

**A. Governmental Activities Long-Term Debt**

Summary of changes in governmental activities long-term debt for the year ended June 30, 2015, follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due within one year	Due in more than one year
<b>Governmental Activity Debt:</b>						
<b>Certificates of Participation Bonds:</b>						
2007 Certificates of Participation	\$ 18,445,000	\$	\$ (840,000)	\$ 17,605,000	\$ 870,000	\$ 16,735,000
<b>Lease Revenue Bonds:</b>						
2013 Refunding Lease Revenue Bonds						
City portion	8,743,000		(140,000)	8,603,000	140,000	8,463,000
2012 Taxable Pension Obligation Bonds	16,675,000		(1,120,000)	15,555,000	1,210,000	14,345,000
Total Governmental Activity Debt	43,863,000		(2,100,000)	41,763,000	2,220,000	39,543,000
<b>Capital Leases:</b>						
2010 Pumper Truck	99,707		(99,707)			
2012 Fire Truck	595,285		(194,126)	401,159	198,397	202,762
2014 PNC Lease		473,917	(159,635)	314,282	154,369	159,913
Total Capital Leases	694,992	473,917	(453,468)	715,441	352,766	362,675
<b>Other Debt</b>						
HUD 108 Loan - Guarantee Loan - Senior Center	2,107,000		(131,000)	1,976,000	131,000	1,845,000
Total Other Debt	2,107,000		(131,000)	1,976,000	131,000	1,845,000
Total Government Activity Debt	\$ 46,664,992	\$ 473,917	\$ (2,684,468)	\$ 44,454,441	\$ 2,703,766	\$ 41,750,675
Plus unamortized:						
Discount (2007 TAB)	\$ (33,955)	\$	\$ 2,264	\$ (31,691)	\$ (2,264)	\$ (29,427)
Discount (2012 POB)	(99,920)		10,119	(89,801)	(10,119)	(79,682)
Premium (2013 RLRB)	273,455		(19,888)	253,567	19,888	233,679
Total General Long-term Obligations	\$ 46,804,572	\$ 473,917	\$ (2,691,973)	\$ 44,586,516	\$ 2,711,271	\$ 41,875,245

2007 Certificates of Participation

In 2007, the City issued \$23,435,000 principal amount of 2007 Certificates of Participation (2007 COPs). The purpose of the 2007 COPs was to provide funds to refund the outstanding 1999 Certificates of Participation (Library and Fire Stations Project) of the City of San Leandro and the San Leandro Public Financing Authority. Interest rates vary from 4.00% to a maximum of 4.375% and are payable semiannually on each May 1 and November 1. Principal payments are payable annually on November 1. The COPs evidence fractional interest of the owners in lease payments to be made by the City for use and occupancy of San Leandro Libraries and San Leandro Fire Stations.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT (Continued)**

At June 30, 2015, future debt service requirements for the 2007 COPs follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 870,000	\$ 725,119	\$ 1,595,119
2017	910,000	689,519	1,599,519
2018	945,000	652,418	1,597,418
2019	985,000	613,818	1,598,818
2020	1,020,000	573,718	1,593,718
2021-2025	5,765,000	2,190,922	7,955,922
2026-2030	7,110,000	803,905	7,913,905
	<u>\$ 17,605,000</u>	<u>\$ 6,249,419</u>	<u>\$ 23,854,419</u>

The proceeds from the 1999 COP refunding issue were placed in irrevocable escrow account overseen by independent bank fiscal agents. The proceeds are generally invested in U.S. Treasury Securities, which together with earned interest, will provide amounts sufficient for future payment of interest, principal, and redemption premium on the defeased bond in the amount of \$27,257,815. The escrow account is not included as assets of the City. The defeased bonds are excluded from the City's long-term obligations because the arrangement satisfies requirements of defeasance.

2013 Refunding Lease Revenue Bonds

In April 2013, the City issued \$8,883,000 principal amount of 2013 Refunding Lease Revenue Bonds (2013 RLRB). The purpose of the 2013 RLRBs was to refund and retire the City's 2003 COPs and 2001 COPs. The 2013 RLRBs bear interest rates ranging from 2.0% to 5.00% and are payable semiannually on each June 1 and December 1. Principal payments are payable annually on December 1.

The refunding of the 2003 COPs resulted in a present value of savings of \$928,703 of the refunded bonds. At June 30, 2015, future debt service requirements for the City's portion of the 2013 RLRB follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 140,000	\$ 300,866	\$ 440,866
2017	587,000	289,961	876,961
2018	601,000	272,141	873,141
2019	621,000	253,811	874,811
2020	641,000	234,881	875,881
2021-2025	3,550,000	822,016	4,372,016
2026-2028	2,463,000	161,939	2,624,939
	<u>\$ 8,603,000</u>	<u>\$ 2,335,615</u>	<u>\$ 10,938,615</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT (Continued)**

2012 Taxable Pension Obligation Bonds

In 2012, the City issued \$18,305,000 principal amount of 2012 Taxable Pension Obligation Bonds (2012 POB). The purpose of the 2012 POB is to save the City money, the interest rate, including the cost of issuance, must be significantly less than the interest rate the CalPERS charges to amortize the public safety side fund which is distinct from the City's other CalPERS plans. Side funds are retired over a fixed term with a fixed amortization schedule based on CalPERS actuarial earnings assumption rate (7.75%). Principal is due annually on December 1 and the interest is due semi-annually on June 1 and December 1 through June 2024. Debt service is payable from available City resources.

At June 30, 2015, future debt service requirements for the City's portion of the 2012 Taxable Pension Obligations Bonds follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 1,210,000	\$ 708,124	\$ 1,918,124
2017	1,305,000	678,236	1,983,236
2018	1,415,000	636,868	2,051,868
2019	1,540,000	585,644	2,125,644
2020	1,680,000	519,116	2,199,116
2021-2024	8,405,000	1,171,523	9,576,523
	<u>\$ 15,555,000</u>	<u>\$ 4,299,511</u>	<u>\$ 19,854,511</u>

2010 Master Equipment Lease/Purchase Agreement

On November 23, 2009, the City entered into a Lease/Purchase Agreement with Oshkosh Capital to Lease/Purchase Equipment in the amount of \$461,717. The Equipment was for the Fire Department's 2010 Triple Combination Pumper Truck. The interest rate is 3.99% payable over five years. As of June 30, 2015, the balance of the lease was paid in full.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT (Continued)**

2012 Fire Truck Lease

On November 9, 2011, the City entered into a Lease/Purchase Agreement with Oshkosh Capital to Lease/Purchase Equipment in the amount of \$971,090. The Equipment was for the Fire Department's 2010 Triple Combination Pumper Truck. The interest is 2.20% payable over five years.

At June 30, 2015, future debt service requirements for the 2012 Lease Purchase Agreement follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 198,397	\$ 8,825	\$ 207,222
2017	202,762	4,461	207,223
	<u>\$ 401,159</u>	<u>\$ 13,286</u>	<u>\$ 414,445</u>

2014 PNC Equipment Lease

On July 29, 2014, the City entered into a Lease/Purchase Agreement with PNC Equipment Finance, LLC to Lease/Purchase Equipment in the amount of \$473,917. The Equipment was for ten Police SUV Ford Explorers. The interest is 1.38% payable over 3 years.

At June 30, 2015, future debt service requirements for the 2014 equipment lease follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 154,369	\$ 6,123	\$ 160,492
2017	159,914	578	160,492
	<u>\$ 314,283</u>	<u>\$ 6,701</u>	<u>\$ 320,984</u>

HUD 108 Guarantee Loan – Senior Center

In 2011, the City received a \$2,500,000 20-year federal loan from HUD, at an interest rate of 3% to finance the acquisition and construction of senior center facility within the City of San Leandro. The loan is secured and payable from the Community Development Block Grant Fund.

At June 30, 2015 future debt service requirements for the HUD 108 Guarantee loan follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 1,210,000	\$ 708,124	\$ 1,918,124
2017	1,305,000	678,236	1,983,236
2018	1,415,000	636,868	2,051,868
2019	1,540,000	585,644	2,125,644
2020	1,680,000	519,116	2,199,116
2021-2024	8,405,000	1,171,523	9,576,523
	<u>\$ 15,555,000</u>	<u>\$ 4,299,511</u>	<u>\$ 19,854,511</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT (Continued)**

***B. Long-Term Debt of Business-Type and Proprietary Funds***

Summary of changes in long-term debt of business-type and proprietary funds for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within one year	Due in more than one year
Marina Note	\$ 1,891,755	\$	\$ 207,791	\$ 1,683,964	\$ 217,141	\$ 1,466,823
State Water Resources Control Board	36,022,900	4,385,604		40,408,504		40,408,504
<b>Total</b>	<b>\$ 37,914,655</b>	<b>\$ 4,385,604</b>	<b>\$ 207,791</b>	<b>\$ 42,092,468</b>	<b>\$ 217,141</b>	<b>\$ 41,875,327</b>

State Water Resources Control Board

On August 4, 2011, the City entered into a Finance Agreement with the State Water Resources Control Board in the total principal amount of \$43,000,000, for the purpose of financing the Wastewater System Expansion and Improvement Project. The loan bears an interest rate of 2.6%. Principal and interest payments are payable annually on July 1. The debt is secured by the WPCP Enterprise Fund operating revenues. At June 30, 2015, the City has drawn down \$40.41 million from the State Water Resource Control Board and the remaining balance of \$6.98 million is expected to be drawn down in fiscal year 2014-15.

There was no debt service payment in fiscal year 2014-15, with the first debt service payment of \$4.2 million due in fiscal year ending 2016-2017. Future debt service is expected to average \$3 million per year through fiscal year 2034-35 for a total \$58.8 million.

Marina Cal Boating Notes Payable

The City entered into various construction loan agreements with the California Department of Boating and Waterways in the total principal amount of \$5,331,032. The loans bear an average interest rate of 4.50%. Principal and interest payments are payable annually on each August 1. The debt is secured by Shoreline Enterprise Fund operating revenues.

At June 30, 2015, future debt service requirements for the Marina Cal Boating Notes Payable are as follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 217,141	\$ 75,868	\$ 293,009
2017	226,911	66,098	293,009
2018	237,124	55,887	293,011
2019	247,793	45,216	293,009
2020	258,944	34,065	293,009
2021-2025	451,668	45,751	497,419
2026-2027	44,383	3,154	47,537
	<u>\$ 1,683,964</u>	<u>\$ 326,039</u>	<u>\$ 2,010,003</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 7 - LONG-TERM DEBT (Continued)**

*C. Debt Covenants and Restrictions*

For June 30, 2015, the City complied with all general and specific covenants regarding debt proceeds usage and debt repayment. In accordance with bond official statements, the City also maintained adequate reserves for all debt issues.

**NOTE 8 – COMPENSATED ABSENCES**

The City’s compensated absences consist of accrued vacation pay, sick leave, and accrued compensatory time. The total amount of the accrued liability is recorded in the Government-wide Financial Statements and charges for compensated absences expense is charged to the various program activities in the Governmental funds, primarily General fund and Internal Service funds, and all Proprietary funds.

Summary of changes in compensated absences for the year ended June 30, 2015, follows:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due within one year	Due in more than one year
Governmental Activities	\$ 3,216,062	\$ 597,611	\$ (598,959)	\$ 3,214,714	\$ 620,274	\$ 2,594,440
Business-type Activities	485,545	102,519	(10,436)	577,628	51,986	525,642
<b>Total</b>	<b>\$ 3,701,607</b>	<b>\$ 700,130</b>	<b>\$ (609,395)</b>	<b>\$ 3,792,342</b>	<b>\$ 672,260</b>	<b>\$ 3,120,082</b>

**NOTE 9 – UNEARNED REVENUE**

*A. Governmental-Wide Financial Statements*

Unearned revenue in the Government-Wide Financial Statements represents amounts for which revenues have not been earned. At June 30, 2015, unearned revenue in the Government-Wide Financial Statements was \$2,039,764.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 10 – NET POSITION AND FUND BALANCES**

***A. Net Position***

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

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

*Restricted net position* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include capital projects, debt service requirements, and special revenue programs restricted to special revenue purposes such as Measure B, special Gas Tax, Grant funds, and other special revenue funds.

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

***B. Fund Balances***

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

*Committed* fund balances have constraints imposed by formal action of the City's highest level decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources. As of June 30, 2015, the City does not have committed fund balance.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

*Assigned* fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed through City Council resolution and/or budget document or its designee (City Manager) and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendable, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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

**C. Encumbrances**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end.

As of June 30, 2015, the General Fund had outstanding encumbrances of \$1,766,700.

**D. Contingency Arrangements**

The City’s annual budget requires the City to implement and maintain fund balance to handle any unforeseen contingencies in the future, rather than continued reliance on the City’s operating General Fund reserves. These unforeseen contingencies include Economic Uncertainty, major Emergencies and Contingencies. As of June 30, 2015, the following are reported within the unassigned fund balance of the General Fund:

Major Emergencies	\$	5,000,000
Economic Uncertainty		7,412,413
Other		6,821,476
Compensated Absences		606,691
Total	\$	19,840,580

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2015, are below:

	General Fund	Non-Major Governmental Funds	Total
<b>Nonspendables:</b>			
Advances to Other Funds	\$ 8,106,392	\$	\$ 8,106,392
Loans receivable	3,702,470		3,702,470
Loan to Successor Agency	2,040,768		2,040,768
<b>Total Nonspendable Fund Balances</b>	<b>13,849,630</b>		<b>13,849,630</b>
<b>Restricted for:</b>			
Internship	50,000		50,000
Debt Service		641,621	641,621
Capital Projects			
Capital Improvement Projects		4,874,837	4,874,837
GHAD		14,194	14,194
Subtotal		4,889,031	4,889,031
Non-Major Governmental Funds			
Affordable Housing		2,097,658	2,097,658
Street/ Traffic Improvements		1,307,782	1,307,782
Park Development Fees		1,640,068	1,640,068
Underground Utility		1,837,220	1,837,220
Special Gas Tax		2,967,146	2,967,146
Cherrywood Maintenance		341,902	341,902
Measure B - Paratransit		181,846	181,846
Asset Seizure		752,159	752,159
Heron Bay		819,960	819,960
Proposition 1B - Local Streets & Roads		12,847	12,847
Measure B		3,343,238	3,343,238
Measure F		619,752	619,752
Measure BB		272,611	272,611
CDBG		147,437	147,437
HOME		192,209	192,209
Housing In- Lieu		96,705	96,705
Business Improvement District		116,914	116,914
Public Education and Government		312,188	312,188
Subtotal		17,059,642	17,059,642
<b>Total Restricted Fund Balances</b>	<b>50,000</b>	<b>22,590,294</b>	<b>22,640,294</b>
<b>Assigned to:</b>			
Encumbrances - departmental projects	1,766,700		1,766,700
<b>Unassigned:</b>			
General fund - Compensated Absences	606,691		606,691
General fund - Major Emergencies	5,000,000		5,000,000
General fund - Economic Uncertainty	7,412,413		7,412,413
General fund - Other	6,126,122	(1,383,668)	4,742,454
<b>Total Unassigned Fund Balances</b>	<b>19,145,226</b>	<b>(1,383,668)</b>	<b>17,761,558</b>
<b>Total Fund Balances</b>	<b>\$ 34,811,556</b>	<b>\$ 21,206,626</b>	<b>\$ 56,018,182</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 10 – NET POSITION AND FUND BALANCES (Continued)**

***E. Prior Period Adjustments of Entity-Wide Statement of Net Position, Fund Level Statement of Net Position and Beginning Fund Balance***

During the fiscal year, the City implemented *GASB Statement No. 68 and 71, Accounting and Financial Reporting for Pensions*. As a result, the City made prior period adjustments and reduced net position as of July 1, 2014, of the Water Pollution Control Plant Enterprise Fund by \$12,694,033. The City also reduced the Governmental activities beginning net position by \$123,962,902.

The City also made prior period adjustment in the fund level to change the method of accounting and eliminate deferred inflows of resources related to loans receivable. As a result fund balances as of July 1, 2014, of the Affordable Housing Asset Special Revenue were increased by \$751,608. In the entity-wide Statement of Net Position, beginning net position was reduced by \$12,193,760.

**NOTE 11 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Fund Deficits**

At June 30, 2015, the following funds had fund balance deficit or net position deficit:

Shoreline Enterprise Fund	\$	1,221,842
Parking Special Revenue Fund		104,136
Special Grants Special Revenue Fund		1,279,532

**B. Expenditures in Excess of Appropriations**

Excess of expenditures over appropriations approved by the City Council occurred in individual funds during the fiscal year 2014-15 as follows:

<u>Fund/Department</u>	<u>Expenditure</u>	<u>Appropriation</u>	<u>Excess</u>
General Fund			
General Government	\$ 11,720,994	\$ 11,609,646	\$ (111,348)
Special Revenue Funds			
Affordable Housing Asset			
Community Development	3,933	-	(3,933)
Cherry Wood Maintenance District			
Engineering and Transportation	188	-	(188)
Heron Bay			
Interest and Fees	3,400	-	(3,400)
Debt Service Fund			
Special Assessment District			
Interest and Fees	252,183	-	(252,183)
San Leandro Public Financing Authority			
Interest and Fees	763,754	759,319	(4,435)



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 12 - INSURANCE**

The City provides workers' compensation benefits under self-insurance programs. Claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the Self Insurance Internal Service Fund. The City's self-insured retention limit for workers' compensation is \$250,000 per claim. The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). This coverage includes a limit of \$45 million for excess workers compensation and \$4.75 million for employer's liability.

The City is a member of California Joint Powers Risk Management Authority (CJPRMA), which provides annual general liability coverage in an aggregate up to \$40 million. The City is self-insured for the first \$500,000 in property and liability losses. The City has had no settlements which exceed insurance coverage in the last five fiscal years. The City added Pollution and Environmental Liability, effective July 1, 2013.

The City's deposits in the CJPRMA equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. Estimated claims liabilities, as shown below, are presented on a basis of actuarial value as determined by the City's actuary, who determines the expected value of the overall claim based upon certain criteria of the claim.

The following provides a reconciliation of claims and judgments:

	Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims for Payments in Current and Prior Fiscal Years	Liability Balance June 30
2012-2013	\$ 7,071,223	\$ 4,316,045	\$ (4,689,144)	\$ 6,698,124
2013-2014	6,698,124	3,376,112	(3,401,337)	6,672,899
2014-2015	6,672,899	3,117,261	(3,743,614)	6,046,546

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

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

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City. As discussed in Note 12 to the Financial Statement, the City maintains a Self Insurance Fund which has reserves of \$2,228,601 at the end of June 30, 2015. These reserves are available to satisfy any future liability.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSIONS PLANS**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**A. Plan Descriptions** – All qualified permanent employees are eligible to participate in the City’s defined benefit pension plans:

- Miscellaneous (all other) agent multiple-employer plan
- Safety cost-sharing multiple-employer plan

These plans are administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	52
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	7.946%	6.750%
Required employer contribution rates	24.998%	24.998%

	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7 @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	3%	2% - 2.7%
Required employee contribution rates	9%	14.778%
Required employer contribution rates	29.556%	29.556%

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

**Employees Covered** – At June 30, 2015, the following employees were covered by the benefit terms for the plans:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	345	166

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$4,570,584	\$4,176,203

**B. Net Pension Liability**

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on age, service and type of employment

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

***C. Changes in the Net Pension Liability***

The changes in the Net Pension Liability for the City’s Miscellaneous Plan are as follows:

***Miscellaneous Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014</b>	\$255,554,562	\$174,078,874	\$81,475,688
<b>Changes in the year:</b>			
Service cost	3,921,445		3,921,445
Interest on the total pension liability	18,796,998		18,796,998
Differences between actual and expected experience			
Changes in assumptions			
Changes in benefit terms			
Contribution - employer		4,594,523	(4,594,523)
Contribution - employee (paid by employer)			
Contribution - employee		2,010,061	(2,010,061)
Net investment income		29,807,971	(29,807,971)
Administrative expenses			
Benefit payments, including refunds of employee contributions	(13,777,288)	(13,777,288)	
<b>Net changes</b>	<u>8,941,155</u>	<u>22,635,267</u>	<u>(13,694,112)</u>
<b>Balance at June 30, 2015</b>	<u>\$264,495,717</u>	<u>\$196,714,141</u>	<u>\$67,781,576</u>

As of June 30, 2015, the Safety cost-sharing plan reported net pension liabilities for its proportionate shares of the net pension liability at \$48,381,880.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

The Safety Plan net pension liability is measured as the proportionate share of the net pension liability in the State-wide pool. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Safety Plan as of June 30, 2013 and 2014 was as follows:

	Safety
Proportion - June 30, 2013	0.77754%
Proportion - June 30, 2014	0.77754%
Change - Increase (Decrease)	0.00%

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$100,310,135	\$83,258,950
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$67,781,576	\$48,381,880
1% Increase	8.50%	8.50%
Net Pension Liability	\$40,686,144	\$19,644,679

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

***Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

For the year ended June 30, 2015, the City recognized negative pension expense of \$2,169,095. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 14 – PENSION PLANS (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$8,746,787	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,176,957	
Net differences between projected and actual earnings on plan investments		(\$28,248,128)
Total	<u>\$9,923,744</u>	<u>(\$28,248,128)</u>

The \$8,746,787 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2015	(\$6,641,690)
2016	(6,641,690)
2017	(6,725,759)
2018	(7,062,032)

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS**

The City implemented the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2008-09. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pension. The provisions of this Statement are applied prospectively and do not affect prior financial statements. Required disclosures are presented below.

**A. Plan Description**

The City's defined benefit Other Post Employment Benefit (OPEB) Plan, which was established by City Council in fiscal year 2009-10 in accordance with GASB Statement No. 45, provides reimbursements to retirees for qualified expenses. Retirees who have at least ten years of service and meet certain criterion based upon retirement date, household income in the most recent calendar year and age are entitled to reimbursements for qualified expenses.



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

Annual maximum reimbursement amounts differ depending on when an employee retired from City service. The majority of retirees may be eligible for a maximum of \$4,320 in annual reimbursements. Amendments to benefit provisions are negotiated by various bargaining units at the City and must be approved by Council. In fiscal year 2008-09, the City established an irrevocable exclusive agent multi-employer benefit trust which is administered by Public Agency Retirement Services (PARS). The trust will be used to accumulate and invest assets necessary to reimburse retirees. Separate financial reports are issued by PARS for the OPEB plan. The report can be obtained by writing to PARS at 5141 California Avenue, Suite 150, Irvine, CA. 92617-069, or by calling 800-540-6369.

**B. Funding Policy**

Annual required contributions (ARC) are based upon actuarial valuations. The contribution requirements of the ARC are established and may be amended by the City Council. Plan members do not make contributions to the plan; the plan is funded entirely by the employer contributions.

The City's annual OPEB cost is calculated based upon the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 1,377,000
Interest on net OPEB obligation	93,000
Adjustment to the annual required contribution	<u>(92,000)</u>
Annual OPEB cost	1,378,000
Less: Contributions made - medical and dental	(1,825,668)
Less: Contributions made - PARS	<u>(750,000)</u>
Decrease in net OPEB obligation	(1,197,668)
Net OPEB obligation - beginning year	<u>1,619,999</u>
Net OPEB obligation - end of year	<u><u>\$ 422,331</u></u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The City’s annual OPEB cost, equal to the ARC, the percentage of OPEB cost contributed to the plan and the net OPEB obligation for 2015 and the preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 1,791,000	\$ 1,411,315	79%	\$ 379,685
2010	1,870,000	1,359,742	73%	510,258
2011	1,387,000	920,415	66%	466,585
2012	1,452,000	1,169,503	81%	282,497
2013	1,403,000	913,026	65%	489,974
2014	1,471,000	1,980,000	135%	(509,000)
2015	1,378,000	2,575,668	187%	(1,197,668)
Total Net OPEB Obligation				\$ 422,331

**C. Plan Funded Status Information**

As of June 30, 2013, the latest valuation date, the funded status of the plan, was as follows:

<b>Actuarial Valuations</b>	
Actuarial accrued liability (AAL)	\$ 16,081,000
Actuarial value of plan assets	1,505,000
Unfunded actuarial accrued liability (UAAL)	14,576,000
Funded ratio (actuarial value of plan assets/AAL)	9%
Covered payroll (active plan members)	28,131,000
UAAL as percentage of covered payroll	51.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual requires contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**D. Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to the point. The methods assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include 5.5% investment rate of return. Assets in the plan are invested in a moderately conservative portfolio that will provide current income with capital appreciation as a secondary objective. A 3.0% general rate of inflation was used, as well as 3.25% aggregate payroll increases.

The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll over a 30 year closed amortization period. There is no assumed postretirement benefit increase.

- Healthcare costs trends utilized actual premium rates for 2014. Future years were reduced to an ultimate rate 5% for both HMO and PPO plans by 2021.
- The CPI was assumed to be a constant at 3% per year.
- Assets in the plan will be invested in a moderately conservative money market portfolio that will provide current income with capital appreciation as a secondary objective.
- 5.5% Investment rate of return (net of administrative expenses).

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

The City of San Leandro participates in the East Bay Dischargers Authority established on February 15, 1974. The Agency Members of the Joint Powers are the City of Hayward, City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, and Union Sanity District. The authority has the powers to plan for, acquire, construct, manage, maintain, operate, and control facilities for the collection, transmission, treatment, reclamation, sale and disposal of waste water. No debt, liability, or obligation of the Authority shall constitute a debt, liability or obligation of any Agency.

The Authority is governed by the East Bay Dischargers Commission (Commission). The Commission consists of five members, one from each Agency. The ownership of the Joint Facilities is as follows: 18.6 %, City of San Leandro; 29.7% Oro Loma/Castro Valley; 33.0% City of Hayward; and 18.7% Union Sanitary District. The City’s shares of the expenses are recorded as expenses of the Water Pollution Control Fund.

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES**

**A. Cash and Investments**

Cash and Investments at June 30, 2015, consisted of the following:

Statement of net assets:	
Cash and Investments	\$ 2,467,234
Cash and Investments held by trustee	5,246,150
Total cash and investments	\$ 7,713,384

The Successor Agency pools its cash and investment with the City in order to achieve a higher return on investment. Certain restricted funds, which are held and invested by independent custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agents.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

***B. Advances from the City***

Receivable Fund	Payable Fund	Amount
General	Successor Agency	\$ 2,040,768
		\$ 2,040,768

**Plaza Project Area General Fund Loan:**

On March 7, 2011, the former San Leandro Redevelopment Agency made a scheduled debt service payment of \$171,764 in principal and \$128,236 in interest for a loan due to the City of San Leandro General Fund from the Plaza Project Area. Subsequently, on March 7, 2011, the Executive Board of the former Agency authorized a payment of \$2,137,273 to the City of San Leandro to retire the full remaining balance of this loan. The loan had an initial balance of \$2,887,617 and was secured by a Promissory Note executed on December 5, 2002. Although the loan was made for legitimate redevelopment purposes and the repayment was consistent with the requirements of the Promissory Note, the State Department of Finance has asserted that these payments were not made for an approved enforceable obligation and that the funds must be remitted to the Alameda County Auditor-Controller. The City disputed this finding and initiated litigation to resolve this issue. A ruling issued by the Superior Court of California on September 23, 2014 sided with the State Department of Finance on this issue and indicates that the City will be required to remit a payment of \$2,437,273 as a “claw back” of General Fund loan payments made after January 1, 2011. While an appeal was pending, the City and the Department of Finance agreed to abide by the initial court ruling on this matter and the Department of Finance ultimately issued a revised determination letter on June 23, 2015 that yielded to the City’s position on other issues but maintained the demand for the \$2,437,273 “claw back.” The City intends to make that payment in September 2015. Once the payment is made, the City, as a taxing entity itself, will receive approximately 12% of the funds.

**Joint Project Area General Fund Loan:**

On February 1, 2012, the date the former San Leandro Redevelopment Agency was dissolved, the Agency owed the City of San Leandro a balance of \$2,040,767 on a loan made to the City of San Leandro – Alameda County (Joint) Redevelopment Project Area. The loan had an initial balance of \$4,372,774 and was secured by a Promissory Note executed on April 8, 2004. The balance due was included as an enforceable obligation on the Successor Agency’s Enforceable Obligation Payment Schedule (EOPS) and each subsequent Recognized Obligation Payment Schedule (ROPS). On April 11, 2012 the California Department of Finance (DOF) informed the Successor Agency of its objection to this item, citing a prohibition on agreements between RDA’s and their sponsoring cities. On May 10, 2012 the Successor Agency Oversight Board approved, by resolution, an Amended and Restated Promissory Note under the authority provided under California Health and Safety Code Section 34781 (a). Nevertheless, the DOF subsequently denied this loan. The Successor Agency pursued litigation and a ruling issued by the Superior Court of California on September 23, 2014 sided with the City on this issue, agreeing that the amount owed constitutes a legitimate enforceable obligation that can be listed on the ROPS. While an appeal was pending, the City and the Department of Finance agreed to abide by the initial court ruling. In a May 14, 2015 letter, the Department of Finance stated that it will no longer deny this loan on the ROPS. All but one of the loan payments are already due and payable, therefore the Successor Agency has requested \$1,782,444 in funding for payments due under this loan on the ROPS for January through June 2016. Upon receipt of ROPS funding in January 2016, this amount will be remitted to the City. The remaining balance due will be funded under the next ROPS.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

*C. Capital Assets*

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency’s policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Non-depreciable Assets:</b>			
Land	\$ 2,949,885	\$	\$ 2,949,885
<b>Depreciable Assets:</b>			
Buildings and Improvements	1,713,996		1,713,996
<b>Total Depreciable Assets</b>	1,713,996		1,713,996
<b>Accumulated Depreciation:</b>			
Buildings and Improvements	(338,685)	(\$34,282)	(372,967)
<b>Total Accumulated Depreciation</b>	(338,685)	(34,282)	(372,967)
<b>Depreciable Assets, Net</b>	1,375,311	(34,282)	1,341,029
<b>Total Private Purpose Trust Fund Activity Capital Assets, Net</b>	<u>\$ 4,325,196</u>	<u>\$ (34,282)</u>	<u>\$ 4,290,914</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

*D. Long-Term Debt Obligations*

At June 30, 2015, future debt service requirements for the Successor Agency were as follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Current Portion	Long-Term Portion
2002 Tax Allocation Bonds	\$ 11,080,000	\$	\$ (11,080,000)	\$ -	\$	\$
2004 Tax Allocation Bonds	4,850,000		(4,850,000)			
2008 Tax Allocation Bonds	25,195,000		(550,000)	24,645,000	570,000	24,075,000
2013 Refunding Lease Revenue Bonds						
Successor Agency Portion	2,937,000		(175,000)	2,762,000	175,000	2,587,000
2014 Tax Allocation Refunding Bonds						
Successor Agency Portion		11,235,000		11,235,000		11,235,000
Owner Participation Agreements	1,716,037		(207,546)	1,508,491	240,000	1,268,491
San Leandro USD - 9th Grade	334,144		(167,072)	167,072	167,072	
King Property Settlement	5,000,000		(750,000)	4,250,000	1,500,000	2,750,000
HUD 108 Guarantee Notes						
Affordable Housing	370,000		(63,000)	307,000	63,000	244,000
<b>Total</b>	<b>\$ 51,482,181</b>	<b>\$ 11,235,000</b>	<b>\$ (17,842,618)</b>	<b>\$ 44,874,563</b>	<b>\$ 2,715,072</b>	<b>\$ 42,159,491</b>
Plus (Less) unamortized:						
Discount (2002 TAB)	\$ (61,608)	\$	\$ 61,608	\$	\$	\$
Premium (2008 TAB)	169,568		(6,522)	163,046	6,522	156,524
Premium (2013 LRRB)	109,171		(8,562)	100,609	8,562	92,047
Premium (2014 TAB)		1,633,277	(40,832)	1,592,445	40,832	1,551,613
<b>Total Government Activity Debt</b>	<b>\$ 51,699,312</b>	<b>\$ 12,868,277</b>	<b>\$ (17,836,926)</b>	<b>\$ 46,730,663</b>	<b>\$ 2,770,988</b>	<b>\$ 43,959,675</b>

2002 Tax Allocation Bonds

In fiscal year 2004, the former Redevelopment Agency issued \$15,935,000 principal amount of Tax Allocation Bonds (2002 TABs) to refund the 1993 Tax Allocation Bonds (1993 TABs) used to finance the redevelopment activities within the Plaza Project Area (which have been completed) and to finance new redevelopment projects as set forth in the former Redevelopment Plan.

As of June 30, 2015, the 2002 Tax Allocation Bonds were refunded and retired by the former Redevelopment Agency through the issuance of the 2014 Tax Allocation Bonds.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

2004 Tax Allocation Bonds

In 2004, the City issued \$5,500,000 principal amount of 2004 Tax Allocation Bonds (2004 TABs). The purpose of the 2004 TABs was to assist the former Redevelopment Agency of the City finance redevelopment activities within the West San Leandro/MacArthur Boulevard former Redevelopment Project Area of the City.

As of June 30, 2015, the 2004 Tax Allocation Bonds were refunded and retired by the former Redevelopment Agency through the issuance of the 2014 Tax Allocation Bonds.

2008 Tax Allocation Bonds

In 2008, \$27,530,000 principal amount of 2008 Tax Allocation Bond (2008 TABs) was issued. The purpose of the 2008 TABs was to provide funds to finance capital projects in the Alameda County-City of San Leandro former Redevelopment Project Area. A portion of the 2008 TABs were used to finance projects that meet the goals and objectives set forth in the former Redevelopment Plan. These include, but not limited to, design and construction of a senior center, a proposed parking garage, and infrastructure improvements on East 14<sup>th</sup> Street. Interest rates vary from 4.70% to a maximum of 5.00% and are payable annually. Principal payments are payable annually on November 1.

At June 30, 2015, future debt service requirements for the 2008 Tax Allocation Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 570,000	\$ 1,259,437	\$ 1,829,437
2017	595,000	1,230,313	1,825,313
2018	620,000	1,199,938	1,819,938
2019	645,000	1,168,313	1,813,313
2020	675,000	1,136,325	1,811,325
2021-2025	3,860,000	5,155,870	9,015,870
2026-2030	4,895,000	4,076,745	8,971,745
2031-2035	6,360,000	2,621,753	8,981,753
2036-2039	6,425,000	715,905	7,140,905
	<u>\$ 24,645,000</u>	<u>\$ 18,564,599</u>	<u>\$ 43,209,599</u>

2013 Refunding Lease Revenue Bonds

In 2013, the City issued \$11,995,000 principal amount of 2013 Refunding Lease Revenue Bonds (2013 RLRB) was issued. The purpose of the 2013 RLRBs was to refund the 2003 COPs and 2001 COPs. The 2013 RLRBs bear interest rates ranging from 2.0% to 5.00% and are payable semiannually on each June 1 and December 1. Principal payments are payable annually on December 1.

The refunding resulted in a present value of savings of \$1,348,397 or 11.24% of the refunded bonds. Through a five-year extension of debt service on the outstanding COPs, \$2,750,000 of capital improvement funds and a slight reduction was generated in the annual debt service payment.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

At June 30, 2015, future debt service requirements for the Successor Agency’s portion of the 2013 Refunding Lease Revenue Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 175,000	\$ 93,415	\$ 268,415
2017	203,000	87,745	290,745
2018	204,000	81,640	285,640
2019	214,000	75,370	289,370
2020	219,000	68,875	287,875
2021-2025	1,205,000	224,458	1,429,458
2026-2027	542,000	25,355	567,355
	<u>\$ 2,762,000</u>	<u>\$ 656,858</u>	<u>\$ 3,418,858</u>

Owner Participation Agreements with Agency Commitment

The Agency entered into the following agreements which represent contingency liabilities for the Agency:

**Ford Motor Company Owner Participation Agreement** - The agreement required the Agency to make annual payment equivalent to 50% of the sales tax generated above a base of \$277,000 by the sale of vehicles as part of the Ford Store San Leandro development. The amount due is paid over several years depending on the volume of auto sales at no interest.

2009 San Leandro Unified School District

In February 2009, the City entered into a joint use agreement with the San Leandro Unified School District which provides for the City use of the 9<sup>th</sup> grade gymnasium during non-school hours and the San Leandro former Redevelopment Agency (Agency) agreed to provide a financial contribution to the project from the Agency in the amount of \$2,170,800.

During the fiscal year ended June 30, 2010, annual payments for the 2009-10 and 2010-11 fiscal years were reduced from \$327,072 to \$167,072 as a consequence of the State Educational Revenue Augmentation Fund requirement, consistent with the terms of the financing agreement between the Agency and the school district. Assuming no additional payments are required by the State in subsequent years, the terms of the agreement was extended to Fiscal Year 2016 with payments at \$167,072 each fiscal year beginning fiscal year 2015.

For The Year Ending June 30	Principal
2016	<u>\$ 167,072</u>
	<u>\$ 167,072</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

**King Property Settlement Agreement**

The Successor Agency of the former Redevelopment Agency of the City of San Leandro had agreements with the King parties who are owners of a 3.7 acre parcel on East 14<sup>th</sup> Street which is a portion of the Bayfair Shopping Center. The King had demanded payment from the Successor Agency of the City of San Leandro as a guarantor of the lease payments. During the fiscal year 2013, the Successor Agency entered into a settlement agreement in the amount of \$7,750,000.

At June 30, 2015, future debt service requirements for the 2014 King Property Settlement were as follows:

For The Year Ending June 30	Principal
2016	\$ 1,500,000
2017	1,500,000
2018	1,250,000
	<u>\$ 4,250,000</u>

**HUD 108 Guarantee Notes**

In 2000, the City received a \$1,000,000 20-year federal loan from Housing and Urban Development (HUD 108 Guarantor loan), at an interest rate of 5.6% to finance the acquisition and construction of affordable housing for seniors within the City of San Leandro. The loan is secured and payable from the Agency's 20% Housing Set-Aside Fund. The debt was assumed by the Successor Agency. Future debt service payments for the HUD 108 Guarantee loan were as follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$ 63,000	\$ 7,983	\$ 70,983
2017	63,000	6,452	69,452
2018	63,000	4,697	67,697
2019	63,000	2,798	65,798
2020	55,000	908	55,908
	<u>\$ 307,000</u>	<u>\$ 22,838</u>	<u>\$ 329,838</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2015**

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

2014 Tax Allocation Refunding Bonds

On September 30, 2014, the Successor Agency issued \$11,235,000 of Tax Allocation Bonds (2014 TABs) to prepay the 2002 and 2004 Tax Allocation Bonds and to pay issuance costs. The 2014 TABs are payable and secured by a pledge of tax revenues from tax increment generated in the Plaza Project Area and the West San Leandro/MacArthur Boulevard Project Area. The 2014 TABs bear interest rates ranging from 3.5% to 5.00% and are payable semiannually on each March 1st and September 1st. Principal payments are payable on September 1st.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide funds to fully redeem, on October 30, 2014, the principal and accrued interest of the 2002 and 2004 Tax Allocation Bonds. As a result, the 2002 and 2004 Tax Allocation Bonds are considered redeemed (current refunding) and the liability for those bonds has been removed from the statement of net position.

The current refunding of the 2002 and 2004 Tax allocation bonds reduced the total debt service payments over 20 years by \$5,889,081 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,648,450.

At June 30, 2015, future debt service requirements for the 2014 Tax Allocation Refunding Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2016	\$	\$ 537,825	\$ 537,825
2017		\$537,825	537,825
2018		\$537,825	537,825
2019		\$537,825	537,825
2020	405,000	\$527,700	932,700
2021-2025	3,385,000	2,196,000	5,581,000
2026-2030	4,130,000	1,235,875	5,365,875
2031-2035	3,315,000	263,613	3,578,613
	<u>\$ 11,235,000</u>	<u>\$ 6,374,488</u>	<u>\$ 17,609,488</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of San Leandro**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

**1. BUDGETS AND BUDGETARY ACCOUNTING**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes and other taxes	\$ 68,614,305	\$ 68,614,305	\$ 74,485,955	\$ 5,871,650
Licenses and permits	6,498,940	6,498,940	7,145,284	646,344
Fines and forfeitures	1,340,000	1,340,000	1,524,570	184,570
Services charges	2,551,074	2,551,074	3,174,722	623,648
Intergovernmental	1,038,547	1,038,547	1,247,506	208,959
Use of money and property	1,204,258	1,204,258	1,164,676	(39,582)
Interdepartmental charges	2,002,140	2,002,140	2,250,266	248,126
Other	1,042,500	1,238,164	713,559	(524,605)
<b>Total revenues</b>	<b>84,291,764</b>	<b>84,487,428</b>	<b>91,706,538</b>	<b>7,219,110</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,089,569	11,609,646	11,720,994	(111,348)
Public safety	49,692,091	50,049,938	48,991,182	1,058,756
Engineering and transportation	7,513,717	7,545,266	7,323,705	221,561
Recreation and culture	9,271,678	10,156,293	9,416,607	739,686
Community development	4,928,967	5,771,016	4,164,877	1,606,139
Debt service:				
Principal	1,772,811	1,772,811	1,413,833	358,978
Interest and fees	910,127	910,127	902,546	7,581
<b>Total expenditures</b>	<b>85,178,960</b>	<b>87,815,097</b>	<b>83,933,744</b>	<b>3,881,353</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(887,196)</b>	<b>(3,327,669)</b>	<b>7,772,794</b>	<b>11,100,463</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(1,138,000)	(2,583,594)	(2,583,594)	-
<b>Total other financing sources (uses)</b>	<b>(1,138,000)</b>	<b>(2,583,594)</b>	<b>(2,583,594)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,025,196)</b>	<b>\$ (5,911,263)</b>	<b>5,189,200</b>	<b>\$ 11,100,463</b>
<b>FUND BALANCES:</b>				
Beginning of year			29,622,356	
End of year			<u>\$ 34,811,556</u>	

See accompanying notes to financial statements

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

***Budgets and Budgetary Accounting***

The City adopts a budget annually for all governmental fund types. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year-end, unless otherwise authorized by the City Council and the City Manager, except for capital improvement funds for which appropriations endure until the project is completed. The City did not budget Proposition 1B – Local Streets and Roads Fund and Measure BB Fund.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for capital projects funds, which are adopted on a project length basis, which means budgets, are used until the project's completion for the entire project amount.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are carried over to the next fiscal year as part of that year's budget resolution.

GAAP serves as the budgetary basis of accounting.

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

**City of San Leandro**  
**Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan**  
**As of fiscal year ending June 30, 2015**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**Last 10 Years\***

	<b>2015</b>
<b>Total Pension Liability</b>	
Service Cost	\$3,921,445
Differences between expected and actual experience	
Changes in assumptions	
Interest	18,796,998
Benefit payments, including refunds of employee contributions	
<b>Net change in total pension liability</b>	<b>22,718,443</b>
<b>Total pension liability - beginning</b>	<b>255,554,562</b>
<b>Total pension liability - ending (a)</b>	<b>\$278,273,005</b>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$4,594,523
Contributions - employee	2,010,061
Net investment income	29,807,971
Benefit payments, including refunds of employee contributions	
<b>Net change in plan fiduciary net position</b>	<b>36,412,555</b>
<b>Plan fiduciary net position - beginning</b>	<b>174,078,874</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$210,491,429</b>
 Net pension liability - ending (a)-(b)	<b>\$67,781,576</b>
 Plan fiduciary net position as a percentage of covered-employee payroll	74.37%
 Covered-employee payroll	\$21,405,267
 Plan fiduciary net position as a percentage of the total pension liability	316.66%

**Notes to Schedule:**

**Benefit changes** - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions** - There were no changes in assumptions.

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

**City of San Leandro**  
**Cost-Sharing Multiple-Employer Defined Pension Plan - Safety Plan**  
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AND RELATED RATIOS AS OF THE MEASUREMENT DATE**  
**Last 10 Years\***

	Safety Plans
	Tier 1
	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.77754%
Plan's proportion share of the Net Pension Liability (Asset)	\$48,381,880
Plan's Covered Employee Payroll	\$10,747,946
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	450.15%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%
Plan's Proportionate Share of Aggregate Employer Contributions	\$6,001,876

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

**City of San Leandro**  
**Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan**  
**As of fiscal year ending June 30, 2015**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Years\***

	2015
Actuarially determined contribution	\$4,594,523
Contributions in relation to the actuarially determined contributions	(4,594,523)
Contribution deficiency (excess)	-
Covered-employee payroll	\$21,405,267
Contributions as a percentage of covered-employee payroll	21.46%

**Notes to Schedule**

Valuation date: 12/31/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9 years
Asset valuation method	5-year semi-annually
Inflation	2.75%
Salary increases	3.3% - 14.2%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	55 years
Mortality	Derived using CalPERS Membership Data for all Funds

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.



**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

**City of San Leandro**  
**Cost-Sharing Multiple Employer Defined Pension Plan - Safety Plan**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Years\***

	Safety Plan
	<b>Fiscal Year 2013-2014</b>
Actuarially determined contribution	\$2,992,821
Contributions in relation to the actuarially determined contributions	(2,992,821)
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$10,747,946
Contributions as a percentage of covered-employee payroll	27.85%
<b>Notes to Schedule</b>	
Valuation date:	6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	55 yrs. Misc., 50 yrs. Safety
Mortality	Derived using CalPERS Membership Data for all Funds

\* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2015**

***Schedule of Funding Progress – Other Post Retirement Benefit Plan***

The Plans' actuarial values, which differ from fair values, and funding progress over the most recent past three years available, are set forth below at their actuarial valuation date of June 30:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
6/30/2009	\$ 500,000	\$ 16,853,000	\$ 16,353,000	3%	\$ 29,408,000	55.6%
6/30/2011	1,102,000	17,281,000	16,179,000	6%	29,276,000	55.3%
6/30/2013	1,505,000	16,081,000	14,576,000	9%	28,131,000	51.8%

**SUPPLEMENTARY INFORMATION**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

***Affordable Housing Asset Fund*** – This fund accounts for assets received from affordable housing activities from the former Redevelopment Agency’s Low/Moderate Housing Fund and acts as its Successor Agency.

***Street/Traffic Improvements*** - This fund accounts for development fee assessments levied to provide for partial funding of street and traffic improvements associated with commercial and residential growth.

***Park Development Fee*** - This fund accounts for park development fee assessments levied to provide for partial funding for park development needs associated with residential growth.

***Underground Utilities Fees*** – This fund accounts for utility conversion project assessments levied to provide for the placement of overhead facilities underground. Assessment shall be expended only for expansion of, maintenance of or construction of Underground Utility Districts and facilities.

***Parking*** - This fund accounts for parking meter and parking lot collections for maintenance of downtown parking facilities and other public parking locations.

***Special Gas Tax*** - This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

***Cherrywood Maintenance District*** - This fund is used to account for the special assessment funding for the on-going maintenance of public facilities at the Cherrywood development.

***Measure B Paratransit*** - This fund accounts for the City’s share of proceeds of a one-half cent sales tax increase originally approved by the voters in November 1986. The program is administered by the Alameda County Transportation Authority. The tax provides funds for AC transit and paratransit operations.

***Asset Seizure*** - This fund accounts for funds received from asset forfeiture and used for public safety purposes. Asset Seizure funds previously reported under General Fund and separated as of FY 2010-11.

***Heron Bay*** - This fund accounts for maintenance assessments to fund ongoing maintenance of wetlands impacted by residential growth.

***Proposition IB Local Streets & Roads*** - This fund accounts for Proposition IB funds for safety improvements and repairs to local streets and roads.

***Special Grants*** - This fund accounts for various grants from the State of California and the Federal Government to be expended for a specific purpose, activity or facility.

***Measure B*** - This fund accounts for the City's share of proceeds on a one-half cent sales tax increase originally approved by the voters in November 1986. The program is administered by the Alameda County Transportation Authority. The tax provides funds for eight specific projects within Alameda County including major freeway improvements and a major rail extension.

## **NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

**Measure BB** - This fund accounts for the City's share of revenues earned and expenditure incurred under the City paratransit, streets and roads, and bike and pedestrian programs.

**Measure F** - This fund accounts for the City's share of proceeds on a \$10 increase in Vehicle Registration fees originally approved by the voters in November 2010. The program is administered by the Alameda County Transportation Authority. The tax provides funds for projects to reduce traffic congestion and vehicle related pollution.

**C.D.B.G.** - This fund accounts for federally funded grants through the Community Development Block Grant Program from the U.S. Department of Housing and Urban Development.

**HOME** - This fund accounts for federally funded grants from the U.S. Department of Housing and Urban Development to provide for community housing renovation programs.

**Housing In-Lieu** - This fund accounts for Housing In-Lieu assessments levied to provide for partial funding of low/moderate housing projects.

**Business Improvement District** - This fund accounts for service fees charged to business owners to provide a shuttle service from BART to the downtown business district.

**Public Education & Government (PEG) Fund** - This fund accounts for the Digital Infrastructure and Video Competition Act (DIVCA) of 2006, collecting 1% of gross revenues from state franchise holders. The fund accounts for user fees charged to cable television customers to provide public education on government programs.

### **DEBT SERVICE FUNDS**

**Special Assessment District** - This fund accumulates monies for payments of special assessment bonds which are financed by assessments placed on the Alameda County tax roll.

**San Leandro Public Financing Authority Debt Service Fund** - Accounts for certificates of participation issued in 1993 for the Seismic Retrofit project. The debt will be repaid through receipt of tax increment in future years and includes a sale and leaseback agreement between the City of San Leandro and the Redevelopment Agency. This fund also accounts for the Certificates of Participation issued for the library and fire stations seismic retrofit. The debt will be paid back pursuant to lease agreements between the City of San Leandro and the San Leandro Public Finance Authority.

### **CAPITAL PROJECTS FUNDS**

**Capital Improvement Projects Capital Projects Fund** - This fund accounts monies for major capital improvement projects not provided for in one the other capital improvement projects fund.

**San Leandro Hillside Geological Hazardous Abatement District** - This fund is used to account for the finances of the collaborative between the City of San Leandro and the Geological Hazardous Abatement.

**City of San Leandro**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2015**

	Special Revenue Funds					
	Affordable Housing Asset Fund	Street/ Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking	Special Gas Tax
<b>ASSETS</b>						
Cash and investments	\$ 1,339,387	\$ 1,308,780	\$ 1,768,999	\$ 1,834,239	\$ -	\$ 3,030,516
Cash and investments with fiscal agent	-	-	-	-	-	-
Receivables:						
Accounts	\$5,666	-	-	-	189	140
Federal, State, and local grants	-	-	-	-	-	-
Interest	1,437	2,302	771	2,981	-	3,733
Special assessments	-	-	-	-	-	-
Loans	751,609	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,098,099</b>	<b>\$ 1,311,082</b>	<b>\$ 1,769,770</b>	<b>\$ 1,837,220</b>	<b>\$ 189</b>	<b>\$ 3,034,389</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 441	\$ 3,300	\$ 129,702	\$ -	\$ 5,709	\$ 67,243
Due to other funds	-	-	-	-	98,616	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>441</b>	<b>3,300</b>	<b>129,702</b>	<b>-</b>	<b>104,325</b>	<b>67,243</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable revenue - grants receivable	-	-	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-	-	-
<b>Total Deferred Inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>						
Restricted	2,097,658	1,307,782	1,640,068	1,837,220	-	2,967,146
Unassigned	-	-	-	-	(104,136)	-
<b>Total Fund Balances</b>	<b>2,097,658</b>	<b>1,307,782</b>	<b>1,640,068</b>	<b>1,837,220</b>	<b>(104,136)</b>	<b>2,967,146</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 2,098,099</b>	<b>\$ 1,311,082</b>	<b>\$ 1,769,770</b>	<b>\$ 1,837,220</b>	<b>\$ 189</b>	<b>\$ 3,034,389</b>

(Continued)

Special Revenue Funds

Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 305,520	\$ 124,940	\$ 763,507	\$ 858,610	\$ 12,793	\$ -	\$ 3,103,267
-	-	-	-	-	-	-
-	-	-	-	-	451,416	11,597
-	75,604	-	-	-	2,281,613	406,261
552	-	1,589	1,567	54	-	6,614
35,830	-	-	857	-	-	-
-	-	-	-	-	-	-
<u>\$ 341,902</u>	<u>\$ 200,544</u>	<u>\$ 765,096</u>	<u>\$ 861,034</u>	<u>\$ 12,847</u>	<u>\$ 2,733,029</u>	<u>\$ 3,527,739</u>
\$ -	\$ 18,698	\$ 12,937	\$ 41,074	\$ -	\$ 242,605	\$ 184,501
-	-	-	-	-	1,446,604	-
-	-	-	-	-	-	-
-	18,698	12,937	41,074	-	1,689,209	184,501
-	-	-	-	-	2,323,352	-
-	-	-	-	-	-	-
-	-	-	-	-	2,323,352	-
341,902	181,846	752,159	819,960	12,847	-	3,343,238
-	-	-	-	-	(1,279,532)	-
<u>341,902</u>	<u>181,846</u>	<u>752,159</u>	<u>819,960</u>	<u>12,847</u>	<u>(1,279,532)</u>	<u>3,343,238</u>
<u>\$ 341,902</u>	<u>\$ 200,544</u>	<u>\$ 765,096</u>	<u>\$ 861,034</u>	<u>\$ 12,847</u>	<u>\$ 2,733,029</u>	<u>\$ 3,527,739</u>

(Continued)

**City of San Leandro**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2014**

	Special Revenue Funds					
	Measure BB	Measure F	C.D.B.G.	HOME	Housing In-Lieu	Business Improvement District
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 540,810	\$ 59,093	\$ 182,966	\$ 96,586	\$ 114,142
Cash and investments with fiscal agent	-	-	-	-	-	-
Receivables:						
Accounts	272,611	77,707	162,439	9,130	-	2,636
Federal, State, and local grants	-	-	-	-	-	-
Interest	-	1,235	-	113	119	40
Special assessments	-	-	-	-	-	96
Loans	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 272,611</b>	<b>\$ 619,752</b>	<b>\$ 221,532</b>	<b>\$ 192,209</b>	<b>\$ 96,705</b>	<b>\$ 116,914</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 74,095	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>74,095</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable revenue - grants receivable	-	-	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-	-	-
<b>Total Deferred Inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:						
Restricted	272,611	619,752	147,437	192,209	96,705	116,914
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>272,611</b>	<b>619,752</b>	<b>147,437</b>	<b>192,209</b>	<b>96,705</b>	<b>116,914</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 272,611</b>	<b>\$ 619,752</b>	<b>\$ 221,532</b>	<b>\$ 192,209</b>	<b>\$ 96,705</b>	<b>\$ 116,914</b>



Debt Service Funds			Capital Projects Funds		Total Non-Major Governmental Funds
Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	Capital Improvement Projects Capital Projects	GHAD	
\$ 336,015	\$ 121	\$ 642,717	\$ 5,796,445	\$ 14,162	\$22,233,615
-	-	358	91,624	-	91,982
50,785	-	(1,575)	-	-	1,042,741
-	-	-	-	-	2,763,478
650	-	-	-	32	23,789
-	-	-	-	-	36,783
-	-	-	-	-	751,609
<u>\$ 387,450</u>	<u>\$ 121</u>	<u>\$ 641,500</u>	<u>\$ 5,888,069</u>	<u>\$ 14,194</u>	<u>\$ 26,943,997</u>
\$ 262	\$ -	\$ -	\$ 13,232	\$ -	\$ 793,799
-	-	-	-	-	1,545,220
75,000	-	-	1,000,000	-	1,075,000
<u>75,262</u>	<u>-</u>	<u>-</u>	<u>1,013,232</u>	<u>-</u>	<u>3,414,019</u>
-	-	-	-	-	2,323,352
-	-	-	-	-	-
-	-	-	-	-	2,323,352
312,188	121	641,500	4,874,837	14,194	22,590,294
-	-	-	-	-	(1,383,668)
<u>312,188</u>	<u>121</u>	<u>641,500</u>	<u>4,874,837</u>	<u>14,194</u>	<u>21,206,626</u>
<u>\$ 387,450</u>	<u>\$ 121</u>	<u>\$ 641,500</u>	<u>\$ 5,888,069</u>	<u>\$ 14,194</u>	<u>\$ 26,943,997</u>

(Continued)

**City of San Leandro**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2015**

	Special Revenue Funds					
	Affordable Housing Asset Fund	Street/Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking	Special Gas Tax
<b>REVENUES:</b>						
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	314,416	-	-	231,170	-
Service Charges	-	-	-	171,064	-	-
Intergovernmental	-	-	-	-	-	2,473,674
Use of money and property	48,756	4,981	5,489	7,076	25	9,809
Other	391,733	-	1,601,814	20,969	505	4,086
<b>Total Revenues</b>	<b>440,489</b>	<b>319,397</b>	<b>1,607,303</b>	<b>199,109</b>	<b>231,700</b>	<b>2,487,569</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Engineering and transportation	-	199,014	-	9,413	298,633	2,120,157
Recreation and culture	-	-	328,063	-	-	-
Community development	3,933	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,933</b>	<b>199,014</b>	<b>328,063</b>	<b>9,413</b>	<b>298,633</b>	<b>2,120,157</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>436,556</b>	<b>120,383</b>	<b>1,279,240</b>	<b>189,696</b>	<b>(66,933)</b>	<b>367,412</b>
<b>OTHER FINANCING SOURCES:</b>						
Transfer in	-	-	-	-	-	738,000
Transfer (out)	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>738,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>436,556</b>	<b>120,383</b>	<b>1,279,240</b>	<b>189,696</b>	<b>(66,933)</b>	<b>1,105,412</b>
<b>FUND BALANCES:</b>						
Beginning of year	1,661,102	1,187,399	360,828	1,647,524	(37,203)	1,861,734
End of year	<u>\$ 2,097,658</u>	<u>\$ 1,307,782</u>	<u>\$ 1,640,068</u>	<u>\$ 1,837,220</u>	<u>\$ (104,136)</u>	<u>\$ 2,967,146</u>

(Continued)

Special Revenue Funds

Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 22,440	\$ -	\$ -	\$ 340,502	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	304,150	13,320	-	-	6,497,231	1,732,474
1,176	-	3,205	3,302	51	2,075	12,552
-	-	-	-	-	34,353	168,966
<u>23,616</u>	<u>304,150</u>	<u>16,525</u>	<u>343,804</u>	<u>51</u>	<u>6,533,659</u>	<u>1,913,992</u>
-	-	-	-	-	-	-
-	-	79,037	-	-	347,734	-
188	-	-	324,950	-	5,272,518	1,925,410
-	245,285	-	-	-	491,573	-
-	-	-	-	-	5,353	-
-	-	-	-	-	-	-
-	-	-	3,400	-	-	-
<u>188</u>	<u>245,285</u>	<u>79,037</u>	<u>328,350</u>	<u>-</u>	<u>6,117,178</u>	<u>1,925,410</u>
<u>23,428</u>	<u>58,865</u>	<u>(62,512)</u>	<u>15,454</u>	<u>51</u>	<u>416,481</u>	<u>(11,418)</u>
-	20,562	-	-	-	-	-
-	-	-	-	-	(20,562)	-
-	20,562	-	-	-	(20,562)	-
23,428	79,427	(62,512)	15,454	51	395,919	(11,418)
<u>318,474</u>	<u>102,419</u>	<u>814,671</u>	<u>804,506</u>	<u>12,796</u>	<u>(1,675,451)</u>	<u>3,354,656</u>
<u>\$ 341,902</u>	<u>\$ 181,846</u>	<u>\$ 752,159</u>	<u>\$ 819,960</u>	<u>\$ 12,847</u>	<u>\$ (1,279,532)</u>	<u>\$ 3,343,238</u>

(Continued)

**City of San Leandro**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2014**

	Special Revenue Funds					
	Measure BB	Measure F	C.D.B.G.	HOME	Housing In-Lieu	Business Improvement District
<b>REVENUES:</b>						
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	15,876	334,259
Service Charges	-	-	-	-	-	-
Intergovernmental	272,611	438,826	702,384	749,130	-	45,000
Use of money and property	-	1,843	20,198	744	362	468
Other	-	-	11,586	68,682	-	-
<b>Total Revenues</b>	<b>272,611</b>	<b>440,669</b>	<b>734,168</b>	<b>818,556</b>	<b>16,238</b>	<b>379,727</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Engineering and transportation	-	320,010	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Community development	-	-	499,151	649,324	-	316,000
Debt service:						
Principal	-	-	131,000	-	-	-
Interest and fees	-	-	73,037	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>320,010</b>	<b>703,188</b>	<b>649,324</b>	<b>-</b>	<b>316,000</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>272,611</b>	<b>120,659</b>	<b>30,980</b>	<b>169,232</b>	<b>16,238</b>	<b>63,727</b>
<b>OTHER FINANCING SOURCES:</b>						
Transfer in	-	-	-	-	-	50,000
Transfer (out)	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>272,611</b>	<b>120,659</b>	<b>30,980</b>	<b>169,232</b>	<b>16,238</b>	<b>113,727</b>
<b>FUND BALANCES:</b>						
Beginning of year	-	499,093	116,457	22,977	80,467	3,187
End of year	<u>\$ 272,611</u>	<u>\$ 619,752</u>	<u>\$ 147,437</u>	<u>\$ 192,209</u>	<u>\$ 96,705</u>	<u>\$ 116,914</u>

(Continued)

		Debt Service Funds		Capital Project Funds		
Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	Capital Improvement Projects Capital Projects	GHAD	Total Nonmajor Governmental Funds	
\$ 193,812	\$ 183,405	\$ -	\$ -	\$ -	\$ 740,159	
-	-	-	-	-	895,721	
-	-	-	143,282	-	314,346	
-	-	-	-	-	13,228,800	
1,140	752	2,043,819	-	-	2,167,823	
-	-	-	-	-	2,302,694	
<u>194,952</u>	<u>184,157</u>	<u>2,043,819</u>	<u>143,282</u>	<u>-</u>	<u>19,649,543</u>	
-	-	-	-	-	-	
-	-	-	23,469	-	450,240	
-	-	-	111,169	729	10,582,191	
-	-	-	-	-	1,064,921	
70,244	-	-	63	-	1,544,068	
-	-	980,000	-	-	1,111,000	
-	252,183	1,068,120	-	-	1,396,740	
<u>70,244</u>	<u>252,183</u>	<u>2,048,120</u>	<u>134,701</u>	<u>729</u>	<u>16,149,160</u>	
<u>124,708</u>	<u>(68,026)</u>	<u>(4,301)</u>	<u>8,581</u>	<u>(729)</u>	<u>3,500,383</u>	
-	-	-	1,795,594	-	2,604,156	
-	-	-	-	-	(20,562)	
-	-	-	1,795,594	-	2,583,594	
<u>124,708</u>	<u>(68,026)</u>	<u>(4,301)</u>	<u>1,804,175</u>	<u>(729)</u>	<u>6,083,977</u>	
<u>187,480</u>	<u>68,147</u>	<u>645,801</u>	<u>3,070,662</u>	<u>14,923</u>	<u>15,122,649</u>	
<u>\$ 312,188</u>	<u>\$ 121</u>	<u>\$ 641,500</u>	<u>\$ 4,874,837</u>	<u>\$ 14,194</u>	<u>\$ 21,206,626</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Affordable Housing Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 33,298	\$ 48,756	\$ 15,458
Other	186,148	391,733	205,585
<b>Total Revenues</b>	<u>219,446</u>	<u>440,489</u>	<u>221,043</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	-	3,933	(3,933)
<b>Total Expenditures</b>	<u>-</u>	<u>3,933</u>	<u>(3,933)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 219,446</u>	<u>436,556</u>	<u>\$ 217,110</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>\$1,661,102</u>	
End of year		<u>\$ 2,097,658</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Street/Traffic Improvements Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and permits	\$ 80,000	\$ 314,416	\$ 234,416
Use of money and property	10,750	4,981	(5,769)
<b>Total Revenues</b>	<u>90,750</u>	<u>319,397</u>	<u>228,647</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>714,993</u>	<u>199,014</u>	<u>515,979</u>
<b>Total Expenditures</b>	<u>714,993</u>	<u>199,014</u>	<u>515,979</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (624,243)</u>	<u>120,383</u>	<u>\$ 744,626</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,187,399</u>	
End of year		<u>\$ 1,307,782</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Park Development Fee Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 6,000	\$ 5,489	\$ (511)
Other	20,000	1,601,814	1,581,814
<b>Total Revenues</b>	<u>26,000</u>	<u>1,607,303</u>	<u>1,581,303</u>
<b>EXPENDITURES:</b>			
Current:			
Recreation and culture	1,821,327	328,063	1,493,264
<b>Total Expenditures</b>	<u>1,821,327</u>	<u>328,063</u>	<u>1,493,264</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,795,327)</u>	<u>1,279,240</u>	<u>\$ 3,074,567</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>360,828</u>	
End of year		<u>\$ 1,640,068</u>	



**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Underground Utility Fees Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Use of money and property	\$ 1,500	\$ 7,076	\$ 5,576
Charges for current services	70,000	171,064	101,064
Other		20,969	20,969
	<u>71,500</u>	<u>199,109</u>	<u>127,609</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	282,000	9,413	272,587
	<u>282,000</u>	<u>9,413</u>	<u>272,587</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (210,500)</u>	<u>189,696</u>	<u>\$ 400,196</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,647,524</u>	
End of year		<u>\$ 1,837,220</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Parking Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Licenses and permits	\$ 250,000	\$ 231,170	\$ (18,830)
Use of money and property	160	25	(135)
Other	-	505	505
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	<u>250,160</u>	<u>231,700</u>	<u>(18,460)</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>326,158</u>	<u>298,633</u>	<u>27,525</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	<u>326,158</u>	<u>298,633</u>	<u>27,525</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (75,998)</u>	<u>(66,933)</u>	<u>\$ 9,065</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>(37,203)</u>	
End of year		<u>\$ (104,136)</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Special Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 2,154,980	\$ 2,473,674	\$ 318,694
Use of money and property	15,000	9,809	(5,191)
Other	-	4,086	4,086
<b>Total revenues</b>	<u>2,169,980</u>	<u>2,487,569</u>	<u>317,589</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>3,899,545</u>	<u>2,120,157</u>	<u>1,779,388</u>
<b>Total expenditures</b>	<u>3,899,545</u>	<u>2,120,157</u>	<u>1,779,388</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,729,565)</u>	<u>367,412</u>	<u>(1,461,799)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>738,000</u>	<u>738,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (991,565)</u>	<u>1,105,412</u>	<u>\$ 2,096,977</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,861,734</u>	
End of year		<u>\$ 2,967,146</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Cherrywood Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 21,988	\$ 22,440	\$ 452
Use of money and property	1,490	1,176	(314)
<b>Total revenues</b>	<b>23,478</b>	<b>23,616</b>	<b>138</b>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	-	188	(188)
<b>Total expenditures</b>	<b>-</b>	<b>188</b>	<b>(188)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 23,478</b>	<b>23,428</b>	<b>\$ (50)</b>
<b>FUND BALANCES:</b>			
Beginning of year		318,474	
End of year		\$ 341,902	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Measure B - Paratransit Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 273,982	\$ 304,150	\$ 30,168
Other	-	-	-
<b>Total revenues</b>	<b>273,982</b>	<b>304,150</b>	<b>30,168</b>
<b>EXPENDITURES:</b>			
Current:			
Recreation and culture	247,696	245,285	2,411
<b>Total expenditures</b>	<b>247,696</b>	<b>245,285</b>	<b>2,411</b>
<b>REVENUES OVER (UNDER) EXPENDITURES:</b>	<b>26,286</b>	<b>58,865</b>	<b>27,757</b>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	20,562	(20,562)
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 26,286</b>	<b>79,427</b>	<b>\$ 53,141</b>
<b>FUND BALANCES:</b>			
Beginning of year		\$102,419	
End of year		<b>\$ 181,846</b>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Asset Seizure Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 13,320	\$ 13,320
Use of money and property	6,000	3,205	(2,795)
	<u>6,000</u>	<u>16,525</u>	<u>10,525</u>
<b>Total revenues</b>	<u>6,000</u>	<u>16,525</u>	<u>10,525</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	256,511	79,037	177,474
	<u>256,511</u>	<u>79,037</u>	<u>177,474</u>
<b>Total expenditures</b>	<u>256,511</u>	<u>79,037</u>	<u>177,474</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (250,511)</u>	<u>(62,512)</u>	<u>\$ 187,999</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>814,671</u>	
End of year		<u>\$ 752,159</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Heron Bay Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 339,859	\$ 340,502	\$ 643
Use of money and property	4,721	3,302	(1,419)
<b>Total revenues</b>	<b>344,580</b>	<b>343,804</b>	<b>(776)</b>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	843,685	324,950	518,735
Debt service:			
Interest and fees	-	3,400	(3,400)
<b>Total expenditures</b>	<b>843,685</b>	<b>328,350</b>	<b>515,335</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (499,105)</b>	<b>15,454</b>	<b>\$ (514,559)</b>
<b>FUND BALANCES:</b>			
Beginning of year		804,506	
End of year		\$ 819,960	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Special Grants Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$12,169,816	\$ 6,497,231	\$ (5,672,585)
Use of money and property		2,075	2,075
Other	60,047	34,353	(25,694)
<b>Total revenues</b>	<b>12,229,863</b>	<b>6,533,659</b>	<b>(5,696,204)</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety	684,305	347,734	336,571
Engineering and transportation	15,388,507	5,272,518	10,115,989
Community development	701,510	5,353	696,157
Recreation and culture	2,185,534	491,573	1,693,961
<b>Total expenditures</b>	<b>18,959,856</b>	<b>6,117,178</b>	<b>12,842,678</b>
<b>REVENUES OVER (UNDER) EXPENDITURES:</b>	<b>(6,729,993)</b>	<b>416,481</b>	<b>(18,538,882)</b>
<b>OTHER FINANCING SOURCES:</b>			
Transfers (out)	-	(20,562)	20,562
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (6,729,993)</b>	<b>395,919</b>	<b>\$ 7,125,912</b>
<b>FUND BALANCES:</b>			
Beginning of year		(1,675,451)	
End of year		\$ (1,279,532)	



**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Measure B Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 1,459,061	\$ 1,732,474	\$ 273,413
Use of money and property	2,100	12,552	10,452
Other	65,000	168,966	103,966
<b>Total revenues</b>	<u>1,526,161</u>	<u>1,913,992</u>	<u>387,831</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	8,619,409	1,925,410	6,693,999
<b>Total expenditures</b>	<u>8,619,409</u>	<u>1,925,410</u>	<u>6,693,999</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (7,093,248)</u>	<u>(11,418)</u>	<u>\$ 7,081,830</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>3,354,656</u>	
End of year		<u>\$ 3,343,238</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Measure F - (Vehicle Registration Fees) Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 391,283	\$ 438,826	\$ 47,543
Use of money and property	-	1,843	1,843
<b>Total revenues</b>	<u>391,283</u>	<u>440,669</u>	<u>49,386</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>819,981</u>	<u>320,010</u>	<u>499,971</u>
<b>Total expenditures</b>	<u>819,981</u>	<u>320,010</u>	<u>499,971</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (428,698)</u>	<u>120,659</u>	<u>\$ 549,357</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>499,093</u>	
End of year		<u>\$ 619,752</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**C.D.B.G Special Revenue Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 556,054	\$ 702,384	\$ 146,330
Use of money and other property	-	20,198	20,198
Other	-	11,586	11,586
<b>Total revenues</b>	<u>556,054</u>	<u>734,168</u>	<u>178,114</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	882,776	499,151	383,625
Debt service:			
Principal	131,000	131,000	-
Interest and fees	73,037	73,037	-
<b>Total expenditures</b>	<u>1,086,813</u>	<u>703,188</u>	<u>383,625</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (530,759)</u>	<u>30,980</u>	<u>\$ 561,739</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>116,457</u>	
End of year		<u>\$ 147,437</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**HOME Special Revenue Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 144,170	\$ 749,130	\$ 604,960
Use of money and property	-	744	744
Other	29,879	68,682	38,803
<b>Total revenues</b>	<u>174,049</u>	<u>818,556</u>	<u>644,507</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	<u>1,093,752</u>	<u>649,324</u>	<u>444,428</u>
<b>Total expenditures</b>	<u>1,093,752</u>	<u>649,324</u>	<u>444,428</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (919,703)</u>	<u>169,232</u>	<u>\$ 1,088,935</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>22,977</u>	
End of year		<u>\$ 192,209</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Housing In-Lieu Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and grants	\$ -	\$ 15,876	\$ 15,876
Use of money and property	-	362	362
Other	14,061	-	(14,061)
<b>Total revenues</b>	<u>14,061</u>	<u>16,238</u>	<u>2,177</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 14,061</u>	<u>16,238</u>	<u>\$ 2,177</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>80,467</u>	
End of year		<u>\$ 96,705</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Business Improvement District Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and permits	\$ 130,000	\$ 334,259	\$ 204,259
Intergovernmental	168,440	45,000	(123,440)
Use of money and property	-	468	468
	<u>298,440</u>	<u>379,727</u>	<u>81,287</u>
<b>Total revenues</b>			
<b>EXPENDITURES:</b>			
Current:			
Community development	<u>366,920</u>	<u>316,000</u>	<u>50,920</u>
	<u>366,920</u>	<u>316,000</u>	<u>50,920</u>
<b>Total expenditures</b>			
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (18,480)</u>	<u>113,727</u>	<u>\$ 132,207</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>3,187</u>	
End of year		<u>\$ 116,914</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Public Education and Government Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 150,000	\$ 193,812	\$ 43,812
Use of money and property	-	1,140	1,140
<b>Total revenues</b>	<u>150,000</u>	<u>194,952</u>	<u>44,952</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	96,583	70,244	26,339
<b>Total expenditures</b>	<u>96,583</u>	<u>70,244</u>	<u>26,339</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 53,417</u>	<u>124,708</u>	<u>\$ 71,291</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>187,480</u>	
End of year		<u>\$ 312,188</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Special Assessment District Debt Service Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Property and other taxes	\$ -	\$ 183,405	\$ 183,405
Use of money and property	-	752	752
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	<u>-</u>	<u>184,157</u>	<u>184,157</u>
<b>EXPENDITURES:</b>			
Current:			
Debt service:			
Interest and fees	-	252,183	(252,183)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	<u>-</u>	<u>252,183</u>	<u>(252,183)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>(68,026)</u>	<u>\$ (68,026)</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>68,147</u>	
End of year		<u>\$ 121</u>	



**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**San Leandro Public Financing Authority Debt Service Fund**  
**For the year ended June 30, 2015**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 2,474,319	\$ 2,043,819	\$ (430,500)
<b>Total revenues</b>	<u>2,474,319</u>	<u>2,043,819</u>	<u>(430,500)</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Debt service:			
Principal	980,000	980,000	-
Interest and fees	<u>1,063,685</u>	<u>1,068,120</u>	<u>(4,435)</u>
<b>Total expenditures</b>	<u>2,043,685</u>	<u>2,048,120</u>	<u>(4,435)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 430,634</u>	<u>(4,301)</u>	<u>\$ (434,935)</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>645,801</u>	
End of year		<u>\$ 641,500</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Service Charges	\$ -	\$ 143,282	\$ 143,282
Use of money and property	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>143,282</b>	<b>143,282</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety	23,469	23,469	-
Engineering and transportation	2,542,083	111,169	2,430,914
Community development	1,145,594	63	1,145,531
Recreation and culture	-	-	-
<b>Total expenditures</b>	<b>3,711,146</b>	<b>134,701</b>	<b>3,576,445</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,711,146)</b>	<b>8,581</b>	<b>3,719,727</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer in	1,795,594	1,795,594	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,915,552)</b>	<b>\$ 1,804,175</b>	<b>\$ 3,719,727</b>
<b>FUND BALANCES:</b>			
Beginning of year		3,070,662	
End of year		<u>\$ 4,874,837</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**San Leandro Hillside Geological Abatement Fund (GHAD) Capital Projects Fund**  
**For the year ended June 30, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	\$ 15,514	\$ 729	\$ 14,785
Debt service:			
Interest and fees	-	-	-
	<u>15,514</u>	<u>729</u>	<u>14,785</u>
<b>Total expenditures</b>	<u>15,514</u>	<u>729</u>	<u>14,785</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (15,514)</u>	<u>(729)</u>	<u>\$ 14,785</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>\$14,923</u>	
End of year		<u>\$ 14,194</u>	

## **NON-MAJOR ENTERPRISE FUNDS**

*Storm Water Utility* - Provides for the City's storm water program in conjunction with the National Pollutant Discharge and Emissions Services Act.

*Environmental Services* - Accounts for the regulation of hazardous materials, wastewater discharge, storm water runoff, solid waste and recycling, and the landfill at the Marina.

**City of San Leandro**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2015**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 287,170	\$ 1,586,309	\$ 1,873,479
Receivables:			
Accounts	(10,835)	\$110,264	99,429
Interest	306	2,851	3,157
Total current assets	<u>276,641</u>	<u>1,699,424</u>	<u>1,976,065</u>
<b>Total Assets</b>	<u>276,641</u>	<u>1,699,424</u>	<u>1,976,065</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	13,989	31,923	45,912
Compensated absences - due in one year	<u>5,179</u>	<u>8,306</u>	<u>13,485</u>
Total current liabilities	<u>19,168</u>	<u>40,229</u>	<u>59,397</u>
Non-current Liabilities:			
Compensated absences - due in more than one year	<u>52,367</u>	<u>83,982</u>	<u>136,349</u>
Total Liabilities	<u>71,535</u>	<u>124,211</u>	<u>195,746</u>
<b>NET POSITION</b>			
Unrestricted	<u>205,106</u>	<u>1,575,213</u>	<u>1,780,319</u>
<b>Total Net Position</b>	<u>\$ 205,106</u>	<u>\$ 1,575,213</u>	<u>\$ 1,780,319</u>

**City of San Leandro**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2015**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,069,003	\$ 354,093	\$ 1,423,096
Licenses and permits	-	324,425	324,425
Other operating revenue	1,151	95,227	96,378
<b>Total operating revenues</b>	<b>1,070,154</b>	<b>773,745</b>	<b>1,843,899</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	583,378	626,833	1,210,211
Contractual and other services	233,222	110,152	343,374
Material and supplies	20,365	31,570	51,935
Other operating costs	268,089	251,833	519,922
<b>Total operating expenses</b>	<b>1,105,054</b>	<b>1,020,388</b>	<b>2,125,442</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(34,900)</b>	<b>(246,643)</b>	<b>(281,543)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	1,339	2,591	3,930
Intergovernmental	-	268,689	268,689
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,339</b>	<b>271,280</b>	<b>272,619</b>
<b>INCOME (LOSS) BEFORE TRANSFERS:</b>	<b>(33,561)</b>	<b>24,637</b>	<b>(8,924)</b>
Transfers in	-	132,782	132,782
<b>Total transfers</b>	<b>-</b>	<b>132,782</b>	<b>132,782</b>
<b>Change in net position</b>	<b>(33,561)</b>	<b>157,419</b>	<b>123,858</b>
<b>NET POSITION:</b>			
Beginning of year	238,667	1,417,794	1,656,461
End of year	<u>\$ 205,106</u>	<u>\$ 1,575,213</u>	<u>\$ 1,780,319</u>

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2015**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,080,989	\$ 729,870	\$ 1,810,859
Cash payments to suppliers and service providers	(246,604)	(137,425)	(384,029)
Cash payments to employees for services	(558,529)	(637,270)	(1,195,799)
Cash payments to other funds for service provided	(268,089)	(251,001)	(519,090)
<b>Net cash provided (used) by operating activities</b>	<u>7,767</u>	<u>(295,826)</u>	<u>(288,059)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Intergovernmental revenue received	-	268,689	268,689
Transfers in from other funds	-	132,782	132,782
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>401,471</u>	<u>401,471</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	1,341	2,593	3,934
<b>Net cash provided (used) by investing activities</b>	<u>1,341</u>	<u>2,593</u>	<u>3,934</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>9,108</u>	<u>108,238</u>	<u>117,346</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	278,062	1,478,071	1,756,133
End of year	<u>\$ 287,170</u>	<u>\$ 1,586,309</u>	<u>\$ 1,873,479</u>
<b>RECONCILIATION OR OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (34,900)	\$ (246,643)	\$ (281,543)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	10,835	(43,875)	(33,040)
(Increase) decrease in other assets	-	832	832
(Decrease) increase in accounts payable	6,983	4,297	11,280
(Decrease) increase in unearned revenue	-	-	-
(Decrease) increase in compensated absences	24,849	(10,437)	14,412
<b>Total adjustments</b>	<u>7,767</u>	<u>(295,826)</u>	<u>(288,059)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 7,767</u>	<u>\$ (295,826)</u>	<u>\$ (288,059)</u>

## INTERNAL SERVICE FUNDS

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

***Building Maintenance*** – This fund accounts for the City’s custodial maintenance and minor building modifications performed on various City complexes. The source of revenue is reimbursement of costs for services performed to the departments.

***Information Management Services*** – The fund accounts for centralized data processing and the maintenance, acquisition and replacement of computerized systems. Sources of revenue for this fund are reimbursement of costs for services and equipment purchased by other departments.

***Self Insurance*** – This fund accounts for the administration of the City’s self-insurance programs, payment of worker’s compensation and liability claims payments.

***Equipment Maintenance*** – This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. Source of revenues for this fund is reimbursement of costs for services and supplies purchased by other departments.



**City of San Leandro**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2015**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>ASSETS</b>					
Cash and investments	\$ 1,823,153	\$ 1,616,181	\$ 7,810,316	\$ 1,853,597	\$ 13,103,247
Receivables:					
Accounts	1,743	16,611	567,938	-	586,292
Interest	4,398	2,887	14,676	2,641	24,602
Inventory	11,311	9,133	-	108,284	128,728
Other assets	-	-	9,727	-	9,727
<b>Total current assets</b>	<b>1,840,605</b>	<b>1,644,812</b>	<b>8,402,657</b>	<b>1,964,522</b>	<b>13,852,596</b>
Advance to other funds	-	75,000	-	-	75,000
Capital assets:					
Depreciable	43,909	5,770,299	-	7,697,909	13,512,117
Less accumulated depreciation	(8,228)	(5,260,021)	-	(5,547,393)	(10,815,642)
<b>Total Net capital assets</b>	<b>35,681</b>	<b>510,278</b>	<b>-</b>	<b>2,150,516</b>	<b>2,696,475</b>
<b>Total noncurrent assets</b>	<b>35,681</b>	<b>585,278</b>	<b>-</b>	<b>2,150,516</b>	<b>2,771,475</b>
<b>Total Assets</b>	<b>1,876,286</b>	<b>2,230,090</b>	<b>8,402,657</b>	<b>4,115,038</b>	<b>16,624,071</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	271,194	\$278,037	123,093	\$147,682	820,006
Claims and judgments - due in one year	-	-	1,170,645	-	1,170,645
Compensated absences payable - due in one year	2,119	5,223	398	5,844	13,584
Long-term debt - Due within one year	-	-	-	154,369	154,369
<b>Total current liabilities</b>	<b>273,313</b>	<b>283,260</b>	<b>1,294,136</b>	<b>307,895</b>	<b>2,158,604</b>
Noncurrent Liabilities:					
Claims and judgments - due in more than one year	-	-	4,875,901	-	4,875,901
Compensated absences - due in more than one year	21,420	52,815	4,019	59,093	137,347
Long-term debt - Due in more than one year	-	-	-	159,913	159,913
<b>Total noncurrent liabilities</b>	<b>21,420</b>	<b>52,815</b>	<b>4,879,920</b>	<b>219,006</b>	<b>5,173,161</b>
<b>Total Liabilities</b>	<b>294,733</b>	<b>336,075</b>	<b>6,174,056</b>	<b>526,901</b>	<b>7,331,765</b>
<b>NET POSITION</b>					
Net investment in capital assets	35,681	510,278	-	1,836,234	2,382,193
Unrestricted	1,545,872	1,383,737	2,228,601	1,751,903	6,910,113
<b>Total Net Position</b>	<b>\$ 1,581,553</b>	<b>\$ 1,894,015</b>	<b>\$ 2,228,601</b>	<b>\$ 3,588,137</b>	<b>\$ 9,292,306</b>

**City of San Leandro**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2015**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 2,925,563	\$ 3,976,010	\$ 3,548,443	\$ 2,848,518	\$ 13,298,534
Other operating revenues	-	-	819,041	40,810	859,851
<b>Total Operating Revenues</b>	<b>2,925,563</b>	<b>3,976,010</b>	<b>4,367,484</b>	<b>2,889,328</b>	<b>14,158,385</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	994,714	1,523,987	194,548	594,213	3,307,462
Contractual and other services	1,877,249	1,300,154	3,117,261	184,713	6,479,377
Materials and supplies	161,588	67,362	-	578,757	807,707
Depreciation	1,682	561,252	-	423,695	986,629
Other operating costs	367,436	1,010,436	99,781	402,959	1,880,612
<b>Total Operating Expenses</b>	<b>3,402,669</b>	<b>4,463,191</b>	<b>3,411,590</b>	<b>2,184,337</b>	<b>13,461,787</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(477,106)</b>	<b>(487,181)</b>	<b>955,894</b>	<b>704,991</b>	<b>696,598</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	8,157	5,789	108,906	7,278	130,130
Interest expense	-	-	-	(857)	(857)
<b>Total nonoperating revenues (expenses)</b>	<b>8,157</b>	<b>5,789</b>	<b>108,906</b>	<b>6,421</b>	<b>129,273</b>
<b>Net income (loss)</b>	<b>(468,949)</b>	<b>(481,392)</b>	<b>1,064,800</b>	<b>711,412</b>	<b>825,871</b>
<b>NET POSITION:</b>					
Beginning of the year	2,050,502	2,375,407	1,163,801	2,876,725	8,466,435
End of the year	<u>\$ 1,581,553</u>	<u>\$ 1,894,015</u>	<u>\$ 2,228,601</u>	<u>\$ 3,588,137</u>	<u>\$ 9,292,306</u>

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2015**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$ (1,535)	\$ (16,611)	\$ 817,041	\$ 40,810	\$ 839,705
Receipts from interfund charges	2,925,563	3,976,434	3,538,716	2,848,518	13,289,231
Cash payments to suppliers and service providers	(1,883,791)	(1,369,157)	(3,711,942)	(639,120)	(7,604,010)
Cash payments to employees for services	(994,736)	(1,547,899)	(195,135)	(589,369)	(3,327,139)
Cash payments to other funds for services provided	(367,436)	(1,010,436)	(99,781)	(402,959)	(1,880,612)
<b>Net cash provided (used) by operating activities</b>	<b>(321,935)</b>	<b>32,331</b>	<b>348,899</b>	<b>1,257,880</b>	<b>1,317,175</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund loan	-	-	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(1)	(164,198)	-	(999,637)	(1,163,836)
Issuance of long-term debt	-	-	-	314,282	314,282
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(1)</b>	<b>(164,198)</b>	<b>-</b>	<b>(685,355)</b>	<b>(849,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income	8,160	5,791	108,905	7,278	130,134
Interest expense	-	-	-	(857)	(857)
<b>Cash Flows from Investing Activities</b>	<b>8,160</b>	<b>5,791</b>	<b>108,905</b>	<b>6,421</b>	<b>129,277</b>
<b>Net Cash Flows</b>	<b>(313,776)</b>	<b>(126,076)</b>	<b>457,804</b>	<b>578,946</b>	<b>596,898</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	2,136,929	1,742,257	7,352,512	1,274,651	12,506,349
Cash and investments at end of year	\$ 1,823,153	\$ 1,616,181	\$ 7,810,316	\$ 1,853,597	\$ 13,103,247
<b>RECONCILIATION OF OPERATING INCOME (LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (477,106)	\$ (487,181)	\$ 955,894	\$ 704,991	\$ 696,598
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,682	561,252	-	423,695	986,629
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,535)	(16,611)	(2,000)	-	(20,146)
(Increase) decrease in inventory	130	(601)	-	(1,825)	(2,296)
(Increase) decrease in other assets	-	1,025	(9,727)	-	(8,702)
(Decrease) increase in accounts payable	154,916	(1,641)	31,672	126,175	311,122
(Decrease) increase in claims and judgments payable	-	-	(626,353)	-	(626,353)
(Decreased) increase in compensated absences	(22)	(23,912)	(587)	4,844	(19,677)
<b>Total cash provided (used) by operating activities</b>	<b>\$ (321,935)</b>	<b>\$ 32,331</b>	<b>\$ 348,899</b>	<b>\$ 1,257,880</b>	<b>\$ 1,317,175</b>

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

### ***AGENCY FUNDS***

***Deposits Fund*** – Accounts for all deposits held on behalf of other persons and businesses under the control of City departments.

***Cherrywood*** – Accounts for monies accumulated for payments of special assessment bonds which are financed by assessments placed on the Alameda County tax roll for the Cherrywood housing development.

**City of San Leandro**  
**Combining Statement of Fiduciary Net Positions**  
**Fiduciary Funds**  
**June 30, 2015**

	<u>Deposits</u>	<u>Cherrywood</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,540,454	\$ 1,003,866	\$ 2,544,320
Cash and investments with fiscal agents	-	448,960	448,960
Accounts receivable	2,404	-	2,404
Special assessment receivable	-	(748)	(748)
Interest receivable	-	671	671
<b>Total Assets</b>	<b><u>\$ 1,542,858</u></b>	<b><u>\$ 1,452,749</u></b>	<b><u>\$ 2,995,607</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 179,276	\$ -	\$ 179,276
Deposits payable	1,363,582	-	1,363,582
Due to bondholders	-	1,452,749	1,452,749
<b>Total Liabilities</b>	<b><u>\$ 1,542,858</u></b>	<b><u>\$ 1,452,749</u></b>	<b><u>\$ 2,995,607</u></b>

**City of San Leandro**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Deposits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,377,945	\$ 162,509	\$ -	\$ 1,540,454
Accounts receivable	2,342	62	-	2,404
<b>Total assets</b>	<b>\$ 1,380,287</b>	<b>\$ 162,571</b>	<b>\$ -</b>	<b>\$ 1,542,858</b>
<b>Liabilities:</b>				
Accounts payable	\$ 102,593	\$ 76,683	\$ -	\$ 179,276
Deposits payable	1,277,694	85,888	-	1,363,582
<b>Total liabilities</b>	<b>\$ 1,380,287</b>	<b>\$ 162,571</b>	<b>\$ -</b>	<b>\$ 1,542,858</b>
<b><u>Cherrywood</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 994,052	\$ 9,814	\$ -	\$ 1,003,866
Cash and investments with fiscal agent	448,960	-	-	448,960
Special assessment receivable	-	-	748	(748)
Interest receivable	671	-	-	\$ 671
<b>Total assets</b>	<b>\$ 1,443,683</b>	<b>\$ 9,814</b>	<b>\$ 748</b>	<b>\$ 1,452,749</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,443,683	9,814	\$ 748	\$ 1,452,749
<b>Total liabilities</b>	<b>\$ 1,443,683</b>	<b>\$ 9,814</b>	<b>\$ 748</b>	<b>\$ 1,452,749</b>
<b><u>All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,371,997	\$ 172,323	\$ -	2,544,320
Cash and investments with fiscal agent	448,960	-	-	448,960
Accounts receivable	2,342	62	-	2,404
Special assessment receivable	-	-	748	(748)
Interest receivable	671	-	-	671
<b>Total assets</b>	<b>\$ 2,823,970</b>	<b>\$ 172,385</b>	<b>\$ 748</b>	<b>\$ 2,995,607</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 102,593	\$ 76,683	\$ -	179,276
Deposits payable	1,277,694	85,888	-	1,363,582
Due to bondholders	1,443,683	9,814	748	1,452,749
<b>Total liabilities</b>	<b>\$ 2,823,970</b>	<b>\$ 172,385</b>	<b>\$ 748</b>	<b>\$ 2,995,607</b>

# STATISTICAL SECTION

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*This section of the City of San Leandro's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>143</b>
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>16;</b>
These schedules contain information to help the reader assess the city's most significant local revenue sources, sales tax and property tax.	
<b>Debt Capacity</b>	<b>17;</b>
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>167</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
<b>Operating Information</b>	<b>18;</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	





## **FINANCIAL TRENDS**

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*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

Net Position by Component Unit - Last Ten Fiscal Years

Changes in Net Position - Last Ten Fiscal Years

Program Revenues by Function / Program - Last Ten Fiscal Years

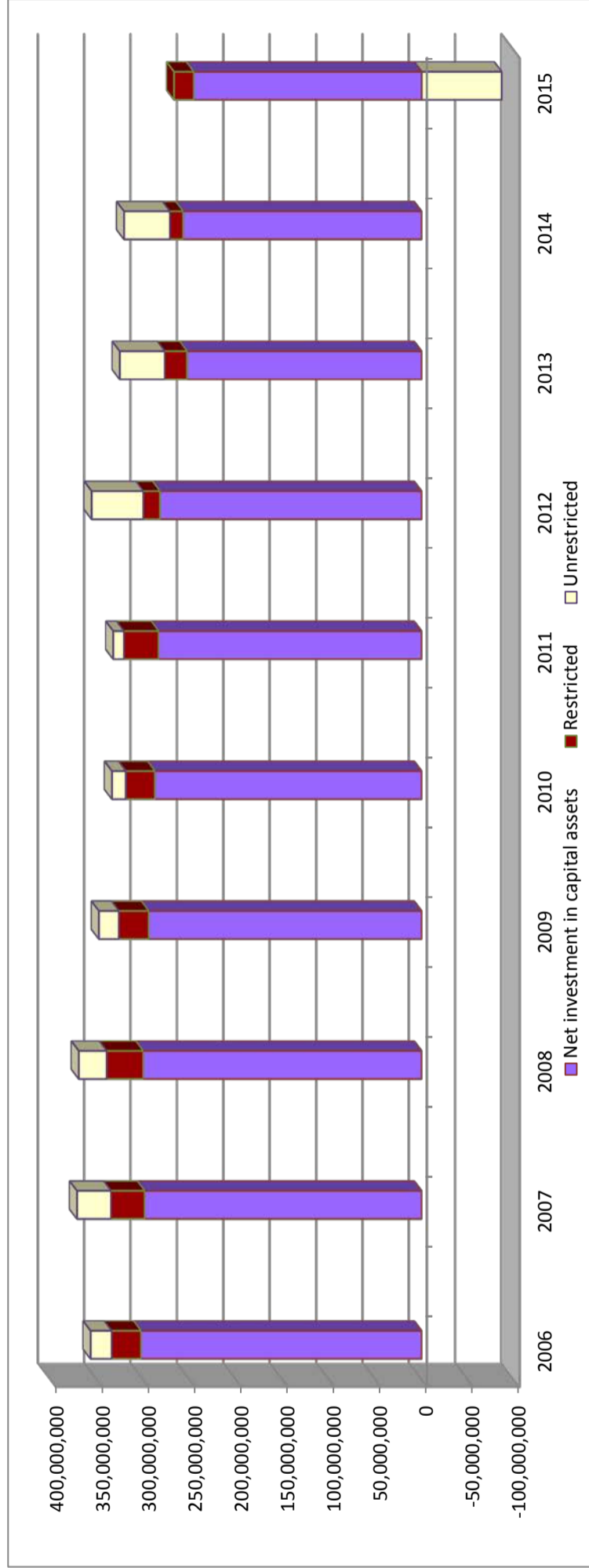
Fund Balances of Governmental Funds - Last Ten Fiscal Years

General Fund Revenue by Source - Last Ten Fiscal Years

Changes in Fund Balance of Governmental Funds - Last Ten Fiscal Years



**City of San Leandro  
Net Position by Component Unit  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	291,400,560	287,403,594	288,812,935	281,144,018	267,302,013	256,542,629	251,252,877	219,701,797	225,401,873	212,967,616
Restricted	31,717,316	36,307,422	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626
Unrestricted	9,290,497	20,105,122	10,029,629	1,326,488	(2,174,696)	(3,737,046)	42,585,608	33,524,445	28,282,857	(98,955,552)
<b>Total Governmental Activities Net Position</b>	<b>\$ 332,408,373</b>	<b>\$ 343,816,138</b>	<b>\$ 338,252,795</b>	<b>\$ 314,649,369</b>	<b>\$ 296,481,015</b>	<b>\$ 290,294,872</b>	<b>\$ 311,786,151</b>	<b>\$ 277,388,358</b>	<b>\$ 268,055,771</b>	<b>\$ 135,218,690</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	11,028,943	11,074,087	11,197,748	12,992,419	20,162,046	26,832,033	30,737,068	32,979,235	31,512,875	32,505,629
Restricted	13,364,147	16,526,068	20,001,036	20,122,930	17,044,724	15,133,537	13,097,006	15,002,725	21,031,537	12,609,167
Unrestricted	\$ 24,393,090	\$ 27,600,155	\$ 31,198,784	\$ 33,115,349	\$ 37,206,770	\$ 41,965,570	\$ 43,834,074	\$ 47,981,960	\$ 52,544,412	\$ 45,114,796
<b>Total Business-Type Activities Net Position</b>										
<b>Primary government</b>										
Net investment in capital assets	302,429,503	298,477,681	300,010,683	294,136,437	287,464,059	283,374,662	281,989,945	252,681,032	256,914,748	245,473,245
Restricted	31,717,316	36,307,422	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626
Unrestricted	22,654,644	36,631,190	30,030,665	21,449,418	14,870,028	11,396,491	55,682,614	48,527,170	49,314,394	(86,346,385)
<b>Total Governmental Activities Net Position</b>	<b>\$ 356,801,463</b>	<b>\$ 371,416,293</b>	<b>\$ 369,451,579</b>	<b>\$ 347,764,718</b>	<b>\$ 333,687,785</b>	<b>\$ 332,260,442</b>	<b>\$ 355,620,225</b>	<b>\$ 325,370,318</b>	<b>\$ 320,600,183</b>	<b>\$ 180,333,486</b>

Source: City of San Leandro Finance Department  
Note: (1) Large negative amount is due to the implementation of GASB 68.

**City of San Leandro  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 22,864,200	\$ 11,546,534	\$ 17,379,663	\$ 16,572,072	\$ 11,989,774	\$ 10,759,754	\$ 10,238,787	\$ 13,166,855	\$ 11,609,391	\$ 10,896,679
Public safety	37,415,908	41,972,128	44,061,645	44,229,183	45,063,334	45,936,832	43,574,011	45,465,294	47,180,237	47,989,126
Engineering & Transportation	2,260,498	11,989,696	16,292,698	15,101,806	18,209,182	22,720,292	23,903,746	25,662,305	31,712,176	30,566,925
Recreation & Culture	12,714,017	15,937,218	15,064,531	11,416,088	9,906,448	11,042,582	9,894,015	11,586,223	11,786,787	11,667,158
Community Development	11,238,106	9,351,983	15,725,787	28,119,209	24,202,918	17,541,521	8,178,377	4,904,402	5,389,381	5,704,907
Interest on long-term debt	3,924,447	4,275,336	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	2,548,119	2,097,257	2,156,400
Total governmental activities expenses	\$ 90,417,175	\$ 95,072,895	\$ 111,761,705	\$ 120,788,184	\$ 113,897,366	\$ 112,183,390	\$ 98,106,689	\$ 103,333,198	\$ 109,775,229	\$ 108,981,195
Business-type activities:										
Water Pollution Control	6,979,509	9,247,290	9,093,554	9,248,677	6,231,639	5,856,452	8,395,692	7,499,555	7,978,058	8,802,564
Shoreline	2,470,221	2,139,089	2,355,311	2,244,002	2,180,794	1,997,753	1,848,428	1,861,532	1,922,489	1,691,932
San Leandro Housing Finance Corp	946,776	-	-	-	-	-	-	-	-	-
Storm Water Utility	921,120	928,752	896,951	993,330	886,379	844,604	919,998	978,816	1,078,252	1,105,054
Environmental Services	1,453,306	1,189,664	1,460,466	1,544,564	1,348,181	1,333,145	1,222,543	1,175,257	1,027,054	1,020,388
Total business-type activities expenses	\$ 12,770,932	\$ 13,504,795	\$ 13,806,282	\$ 14,030,573	\$ 10,646,993	\$ 10,031,954	\$ 12,386,661	\$ 11,515,160	\$ 12,005,853	\$ 12,619,938
Total primary government expenses	\$ 103,188,107	\$ 108,577,690	\$ 125,567,987	\$ 134,818,757	\$ 124,544,359	\$ 122,215,344	\$ 110,493,350	\$ 114,848,358	\$ 121,781,082	\$ 121,601,133
<b>Program revenues:</b>										
Governmental activities:										
General government										
Property taxes	21,167,178	24,742,722	26,200,221	27,654,817	27,087,224	26,720,790	22,357,186	17,631,582	18,514,127	18,898,038
Sales taxes	22,144,559	23,407,407	22,251,900	19,095,799	17,594,934	21,811,494	24,126,105	26,304,583	29,097,614	32,948,155
Franchise Fees	3,362,681	4,496,415	4,142,284	4,125,705	4,005,464	4,124,846	4,231,420	4,481,920	4,581,920	4,845,086
Utility Users Tax	10,383,676	10,175,460	10,420,171	10,103,090	9,783,055	9,932,893	9,968,546	9,888,123	10,157,762	10,359,050
Property Transfer Tax	6,417,694	4,539,402	2,924,656	2,870,441	2,297,145	2,528,604	2,956,419	2,956,419	3,282,026	4,112,030
911 Communication Access Tax					2,711,671	2,694,149	2,684,591	2,723,255	2,804,181	2,974,313
Other taxes	315,382	322,160	361,261	294,496	333,079	381,122	555,988	591,016	652,866	733,867
Motors Vehicle License Fees	530,525	472,542	320,508	278,615	242,416	506,280	42,294	44,112	36,768	35,936
Investment	3,150,513	4,498,742	3,836,259	3,025,658	1,419,378	1,300,123	1,098,406	919,213	1,255,043	1,191,893
Community Impact Reimbursement					3,100,000					
Miscellaneous	826,816	873,742	657,731	1,597,574	599,189	1,158,044	988,126	962,356	514,851	825,082
Gain on sale of assets	516,633	11,621	-	-	-	20,914	3,353	393,741	16,196	6,902
Transfers	(50,594)	(82,214)	(182,509)	85,874	(67,942)	240,484	234,349	(72,135)	-	-
Charges for Service	12,501,369	16,452,204	20,126,325	15,971,619	12,568,443	17,062,792	12,200,726	13,735,756	14,989,867	16,063,276
Capital grants and contributions	13,005,869	11,455,259	9,303,323	8,590,057	10,830,576	6,581,532	11,416,356	7,216,114	10,009,842	10,516,591
Operating grants and contributions	4,603,121	5,115,198	5,836,232	3,490,973	4,224,429	3,783,171	5,585,461	5,672,929	4,529,539	8,038,949
Total Governmental activities program revenues	\$ 98,875,422	\$ 106,480,660	\$ 106,198,362	\$ 97,184,718	\$ 96,729,061	\$ 98,847,238	\$ 98,474,592	\$ 93,411,315	\$ 100,442,602	\$ 111,549,168
Business-type activities:										
Charges for services	15,100,992	14,626,541	14,832,288	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395	16,878,752
Other taxes	299,126	298,633	342,189	296,184	233,880	257,977	323,430	360,246	417,231	477,190
Investment Earnings	723,250	1,378,939	1,616,038	928,796	454,893	167,407	141,980	209,659	264,904	259,724
Miscellaneous	542,837	325,532	431,887	532,897	265,091	338,196	418,969	207,795	250,775	268,689
Gain or loss on sale of assets							(1,290,470)	-	-	-
Transfers	50,594	82,214	182,509	(85,874)	67,942	(240,484)	(234,349)	72,135	-	-
Total Business activities program revenues	\$ 16,716,799	\$ 16,711,859	\$ 17,404,911	\$ 15,947,138	\$ 14,738,414	\$ 14,790,754	\$ 14,255,164	\$ 15,663,046	\$ 16,568,305	\$ 17,884,355
Total primary government program revenues	\$ 115,592,221	\$ 123,192,519	\$ 123,603,273	\$ 113,131,856	\$ 111,467,475	\$ 113,637,992	\$ 112,729,756	\$ 109,074,361	\$ 117,010,907	\$ 129,433,523
Extraordinary Items					21,123,375					
<b>Net revenues (expenses):</b>										
Governmental Activities	8,458,247	11,407,765	(5,563,343)	(23,603,466)	(17,168,305)	(13,336,152)	367,903	(9,921,883)	(9,332,627)	2,567,973
Business-type activities	3,945,867	3,207,064	3,598,629	1,916,565	4,091,421	4,758,800	1,868,503	4,147,886	4,562,452	5,264,417
Total net revenues (expenses)	\$ 12,404,114	\$ 14,614,829	\$ (1,964,714)	\$ (21,686,901)	\$ (13,076,884)	\$ (8,577,352)	\$ 2,236,406	\$ (5,773,997)	\$ (4,770,175)	\$ 7,832,390

Notes: The City implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation is not available.

**City of San Leandro  
Program Revenues by Function/ Program  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

Program / Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities:</b>										
General Government	\$ 4,328,363	\$ 6,597,981	\$ 5,208,888	\$ 4,871,544	\$ 5,342,619	\$ 5,242,934	\$ 7,367,750	\$ 7,436,918	\$ 7,310,491	\$ 7,887,476
Public Safety	5,480,658	6,588,624	6,038,357	5,111,223	3,475,388	3,423,176	4,585,001	4,482,346	3,749,814	3,623,194
Engineering and transportation	13,157,731	11,789,460	10,797,882	11,376,411	13,195,059	7,469,186	10,661,253	6,723,903	9,607,387	8,668,597
Recreation and culture	3,470,771	4,576,105	4,353,066	3,414,103	3,614,696	4,368,731	4,551,617	4,022,452	5,114,524	4,493,916
Community development	3,741,298	3,470,491	8,867,688	3,279,368	1,995,686	6,923,466	2,036,922	3,959,180	3,747,032	9,945,633
Interest on long-term debt	3,924,447	4,275,336	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	-	-	-
Subtotal governmental activities	34,103,268	37,297,997	38,503,262	33,402,475	32,149,158	31,609,902	31,520,296	26,624,799	29,529,248	34,618,816
<b>Business-Type Activities</b>										
Water Pollution Control Plant	10,267,776	10,647,063	11,016,298	10,445,163	10,081,964	10,478,066	11,189,362	11,266,178	11,961,374	12,996,465
Shoreline	2,234,105	2,303,029	2,134,271	2,062,949	1,941,119	1,944,513	1,968,839	1,846,750	1,928,280	2,038,388
Storm Water Utility	1,055,105	1,054,947	1,059,667	1,052,608	1,079,178	1,098,114	1,078,455	1,086,070	1,072,146	1,070,154
Environmental Services	630,344	621,502	622,052	714,415	614,347	746,965	658,948	614,213	673,595	773,745
Subtotal business-type activities	14,187,330	14,626,541	14,832,288	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395	16,878,752
<b>Total primary government</b>	\$ 48,290,598	\$ 51,924,538	\$ 53,335,550	\$ 47,677,610	\$ 45,865,766	\$ 45,877,560	\$ 46,415,900	\$ 41,438,010	\$ 45,164,643	\$ 51,497,568

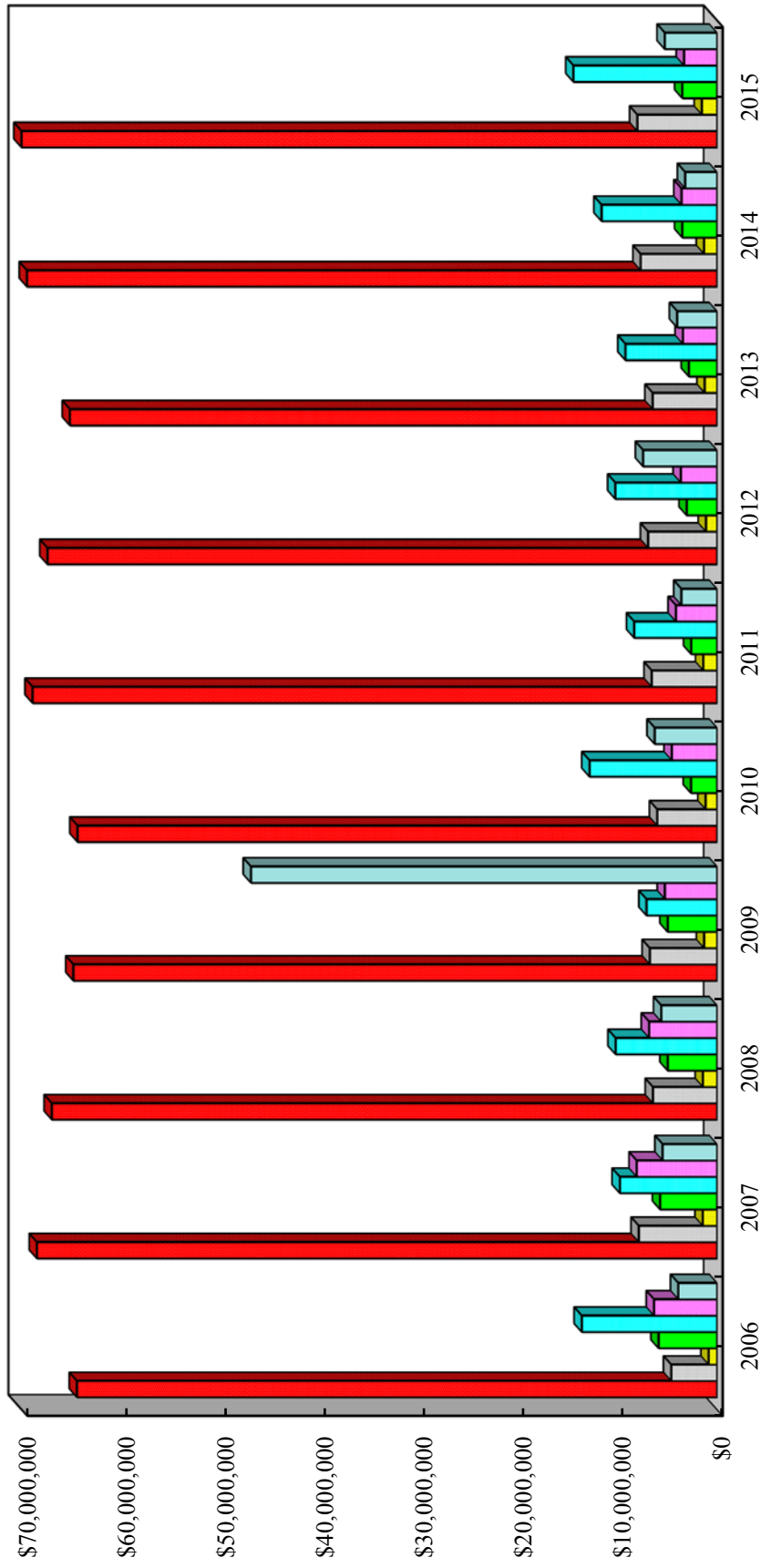
Source: City of San Leandro Finance Department

**City of San Leandro  
Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 19,835,830	\$ 17,904,586	\$ 18,149,255	\$ 14,614,515	\$ 13,730,510	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,962,489	25,319,167	19,152,403	15,074,450	12,672,277	-	-	-	-	-
Nonspendable	-	-	-	-	-	10,377,840	10,147,160	10,147,160	10,147,160	13,849,630
Restricted	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000
Assigned	-	-	-	-	-	3,437,827	3,555,009	264,275	662,973	1,766,700
Unassigned	-	-	-	-	-	11,814,319	10,717,313	14,836,844	18,762,223	19,145,226
Total General Fund	36,798,319	43,223,753	37,301,658	29,688,965	26,402,787	25,679,986	24,469,482	25,298,279	29,622,356	34,811,556
All other governmental funds:										
Reserved	20,344,382	21,797,518	20,775,067	33,916,323	21,700,213	-	-	-	-	-
Unreserved, designated	491,396	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:										
Special revenue funds	4,684,942	7,013,915	6,907,672	5,760,645	6,827,714	-	-	-	-	-
Capital projects funds	-	333,153	337,211	3,973,218	4,803,372	-	-	-	-	-
Nonspendable	-	-	-	-	-	2,475,000	-	-	-	-
Restricted	-	-	-	-	-	33,274,967	17,809,532	17,417,246	16,083,695	22,590,294
Assigned	-	-	-	-	-	(948,387)	-	-	-	-
Unassigned	-	-	-	-	-	-	(132,601)	(1,646,590)	(1,712,654)	(1,383,668)
Total all other governmental funds	\$ 25,520,720	\$ 29,144,586	\$ 28,019,950	\$ 43,650,186	\$ 33,331,299	\$ 34,801,580	\$ 17,676,931	\$ 15,770,656	\$ 14,371,041	\$ 21,206,626
Total All Governmental Funds	\$ 62,319,039	\$ 72,368,339	\$ 65,321,608	\$ 73,339,151	\$ 59,734,086	\$ 60,481,566	\$ 42,146,413	\$ 41,068,935	\$ 43,993,397	\$ 56,018,182

Notes: The City of San Leandro has elected to show only six fiscal years for this schedule.

**City of San Leandro  
General Governmental Revenues By Source  
All Government Fund Types  
Last Ten Fiscal Years**



■ Property & Other Taxes ■ Licenses & Permits ■ Fines & Forfeitures ■ Services Charges ■ Intergovernmental ■ Use of Money & Property ■ Other Revenue

Fiscal Year	Property & Other Taxes		Licenses & Permits		Fines & Forfeitures		Service Charges		Intergovernmental		Use of Money & Property		Other Revenue	Total
2006	64,418,048		4,612,703		837,602		5,885,823		13,635,816		6,351,559		3,901,645	99,643,196
2007	68,452,345		7,884,927		1,431,689		5,732,825		9,798,718		8,102,189		5,481,210	106,883,903
2008	66,945,559		6,461,407		1,418,732		4,965,783		10,224,260		6,841,974		5,623,631	102,481,346
2009	64,771,891		6,768,204	50,000,000	1,296,568		4,977,492		7,106,997		5,244,637		46,900,911	137,066,700
2010	64,359,726		6,027,904		1,149,193		2,627,851		12,853,697		4,558,887		6,285,271	97,862,529
2011	68,879,116		6,585,076		1,377,230		2,593,610		8,351,105		4,152,296		3,589,385	95,527,818
2012	67,388,968		6,940,678		1,110,669		3,051,084		10,246,859		3,645,827		7,456,519	99,840,604
2013	65,125,564		6,482,902		1,237,354		2,830,649		9,233,120		3,445,104		4,011,757	92,366,450
2014	69,453,813		7,700,470		1,302,814		3,492,225		11,640,820		3,582,413		3,215,110	100,387,665
2015	75,226,114		8,041,005		1,524,570		3,489,068		14,476,306		3,332,499		5,266,519	111,356,081

Source: City of San Leandro Comprehensive Annual Financial Report

**City of San Leandro  
Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Property and other taxes	\$ 64,418,048	\$ 68,452,345	\$ 66,945,559	\$ 64,771,891	\$ 64,359,726	\$ 68,879,116	\$ 67,388,968	\$ 65,125,564	\$ 69,453,813	\$ 75,226,114
Licenses and permits	4,612,703	7,884,927	6,461,407	6,768,204	6,027,904	6,585,076	6,940,678	6,482,902	7,700,470	8,041,005
Fines and forfeitures	837,602	1,431,689	1,418,732	1,296,568	1,149,193	1,377,230	1,110,669	1,237,354	1,302,814	1,524,570
Service charges	5,885,823	5,732,825	4,965,783	4,977,492	2,627,851	2,593,610	3,051,084	2,830,649	3,492,225	3,489,068
Intergovernmental	13,635,816	9,798,718	10,224,260	7,106,997	12,853,697	8,351,105	10,246,859	9,233,120	11,640,820	14,476,306
Use of money and property	6,351,559	8,102,189	6,841,974	5,244,637	4,558,887	4,152,296	3,645,827	3,445,104	3,582,413	3,340,946
Intergovernmental	1,783,790	1,746,385	1,799,108	1,858,477	2,272,568	2,295,293	2,401,869	2,001,928	2,002,139	2,250,266
Other	2,117,855	3,734,825	3,824,523	5,542,756	4,012,703	1,294,092	5,054,650	2,009,829	1,212,971	3,007,806
<b>Total revenues</b>	<b>99,643,196</b>	<b>106,883,903</b>	<b>102,481,346</b>	<b>97,567,022</b>	<b>97,862,529</b>	<b>95,527,818</b>	<b>99,840,604</b>	<b>92,366,450</b>	<b>100,387,665</b>	<b>111,356,081</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	10,242,278	10,027,035	10,996,927	10,866,088	10,353,861	9,684,293	9,943,871	12,993,178	11,350,118	11,720,994
Public safety	39,807,817	41,571,598	44,084,646	45,409,707	45,420,060	43,727,641	68,789,652	46,437,960	46,983,838	49,441,422
Engineering and transportation	15,798,762	12,329,183	16,521,818	15,641,026	18,203,786	12,231,307	9,778,421	14,550,085	19,310,489	17,905,896
Recreation and culture	19,367,598	15,968,022	15,408,155	12,100,517	9,854,633	9,560,878	8,373,427	10,274,496	10,244,659	10,481,528
Community development	12,120,215	9,528,638	16,002,716	27,126,823	24,397,598	11,342,937	9,236,773	4,311,194	5,138,376	5,708,945
Capital Outlay	6,952,452	1,781,883	232,636	-	-	-	5,763,826	-	-	-
Debt service:										
Principal	2,959,219	2,150,594	2,610,861	3,372,481	3,305,968	3,175,797	3,511,866	1,577,051	2,271,828	2,524,833
Interest and fees	3,947,868	4,403,856	3,448,347	4,917,152	4,578,463	4,247,973	3,043,070	2,605,761	2,163,895	2,299,286
<b>Total expenditures</b>	<b>111,196,209</b>	<b>97,760,809</b>	<b>109,306,106</b>	<b>119,433,794</b>	<b>116,114,369</b>	<b>93,970,826</b>	<b>118,440,906</b>	<b>92,749,725</b>	<b>97,463,203</b>	<b>100,082,904</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(11,553,013)</b>	<b>9,123,094</b>	<b>(6,824,760)</b>	<b>(21,866,772)</b>	<b>(18,251,840)</b>	<b>1,556,992</b>	<b>(18,600,302)</b>	<b>(383,275)</b>	<b>2,924,462</b>	<b>11,273,177</b>
<b>Other financing Sources (uses):</b>										
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding of bonds	-	23,425,000	-	-	-	-	-	(9,817,009)	-	-
Payment to refunded bonds escrows agents	-	(24,731,033)	-	-	-	-	-	-	-	-
Transfers in	3,240,998	4,693,117	5,895,216	11,774,023	8,598,106	8,290,220	6,029,970	577,000	776,000	2,604,156
Transfers out	(3,309,159)	(4,405,832)	(6,117,186)	(9,615,363)	(6,913,048)	(9,099,736)	(5,775,621)	(1,606,599)	(776,000)	(2,604,156)
Bonds Proceeds	-	-	-	27,725,655	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	2,500,000	-	-	-	-	-
Lease Proceeds	-	-	-	-	461,717	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(68,161)</b>	<b>(1,018,748)</b>	<b>(221,970)</b>	<b>29,884,315</b>	<b>4,646,775</b>	<b>(809,516)</b>	<b>18,305,000</b>	<b>10,152,405</b>	<b>-</b>	<b>-</b>
<b>Prior period restatement</b>	<b>1,379,781</b>	<b>1,944,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (10,241,393)</b>	<b>\$ 10,049,300</b>	<b>\$ (7,046,730)</b>	<b>\$ 8,017,543</b>	<b>\$ (13,605,065)</b>	<b>\$ 747,476</b>	<b>\$ (40,953)</b>	<b>\$ (1,077,478)</b>	<b>\$ 2,924,462</b>	<b>\$ 11,273,177</b>
<b>Debt Services as a percentage of noncapital expenditures</b>	<b>6.62%</b>	<b>9.39%</b>	<b>6.14%</b>	<b>7.40%</b>	<b>7.37%</b>	<b>9.29%</b>	<b>5.64%</b>	<b>4.81%</b>	<b>4.78%</b>	<b>4.83%</b>



## **REVENUE CAPACITY**

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*These schedules contain information to help the reader assess the city's most significant local revenue sources, sales tax and property tax.*

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

Assessed Value of Taxable Property - Last Ten Fiscal Years

Net Assessed Value of Property by Use Code, Citywide - Last Fiscal Year

Principal Property Tax Payers - Current Year and Nine Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

Historical Sales Tax Amount by Benchmark Year - Last Ten Calendar Years at Quarter 1 (Q1)

Principal Sales Tax Producers - Last Fiscal Year and Nine Years Ago

Sewer Rates - Last Ten Fiscal Years



**City of San Leandro**  
**Direct and Overlapping Property Tax Rates**  
**(Rate per \$1,000 of assessed value)**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Basic Levy	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
San Leandro Unified School Bond	0.035800	0.076700	0.076700	0.069900	0.077100	0.089700	0.110800	0.108500	0.118800	0.131000
Chabot-Las Positas College Bond	0.015800	0.016400	0.016400	0.018300	0.019500	0.021100	0.021400	0.021900	0.021400	0.021700
Bay Area Rapid Transit	0.005700	0.008000	0.008000	0.010000	0.010800	0.008400	0.007100	0.005100	0.007500	0.004500
East Bay Regional Park	0.004800	0.007600	0.007600	0.009000	0.005700	0.003100	0.004100	0.004300	0.007800	0.008500
<b>Total Override Rate</b>	<b>0.062100</b>	<b>0.108700</b>	<b>0.108700</b>	<b>0.107200</b>	<b>0.113100</b>	<b>0.122300</b>	<b>0.143400</b>	<b>0.139800</b>	<b>0.155500</b>	<b>0.165700</b>
Total Tax Rate	1.062100	1.108700	1.108700	1.107200	1.113100	1.122300	1.143400	1.139800	1.155500	1.165700

Source: County Auditor/Controller data, MuniServices, LLC

**City of San Leandro**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal Year Ended June 30	City (Excl Successor Agency)							Successor Agency				City Wide		
	Secured Property	Unsecured Property	Less: Exemptions	Taxable Assessed Value	Secured Property	Unsecured Property	Less: Exemptions	Taxable Assessed Value	Unsecured Property	Secured Property	Total Tax Rate (1)	Taxable Assessed Value	Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2006	4,482,963	180,377	118,708	4,544,632	2,738,684	346,422	63,818	3,021,288	396,034	3,337,069	-	7,565,920	-	-
2007	4,849,327	180,440	127,278	4,902,489	2,902,768	357,620	73,877	3,186,511	396,648	3,174,542	-	8,089,000	-	-
2008	5,315,843	180,678	128,085	5,368,436	3,174,542	396,648	65,057	3,506,133	396,034	3,666,256	-	8,874,569	-	-
2009	5,728,648	142,161	113,699	5,757,110	3,337,069	396,034	66,847	3,666,256	393,869	3,899,263	-	9,423,366	-	-
2010	5,659,301	162,942	120,044	5,702,199	3,593,007	393,869	87,613	3,899,263	395,243	3,884,076	-	9,601,462	-	-
2011	5,502,600	175,345	108,033	5,569,912	3,599,645	395,243	110,812	3,884,076	406,084	3,766,282	1.1223	9,453,988	-	-
2012	5,540,713	126,353	15,376	5,651,690	3,568,829	406,084	208,631	3,766,282	382,532	3,828,985	1.1434	9,417,972	-	-
2013	6,015,787	147,948	113,086	6,050,649	3,570,284	382,532	123,831	3,828,985	359,508	4,586,160	1.1398	9,879,634	-	-
2014	5,899,077	153,300	183,511	5,868,866	4,365,737	359,508	139,085	4,586,160	367,800	4,153,986	1.1555	10,455,026	-	-
2015	6,310,548	152,421	196,657	6,266,312	4,694,159	367,800	907,973	4,153,986			1.1657	10,420,298	13,808,666	1.32517

Source: County Assessor Data, MuniServices, LLC  
Source: 2010-11 and prior, previously published CAFR Report  
Table has been restated from previous years to show city and successor agency values exclusively  
Secured Property does not include state unitary value

Notes:

(-) Data Unavailable

(1) Total direct tax rate is represented by TRA 10-001

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.  
Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

**City of San Leandro**  
**Net Assessed Value of Property by Use Code, Citywide**  
**Last Fiscal Year**

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Category	FY 2015
Commercial	1,209,308,122
Industrial	1,880,868,885
Institution	73,559,337
Public	0
Recreation	4,150,737
Residential	6,919,186,067
Unknown	18,765,076
Vacant	898,869,215
Unitary	1,723,832
	Net Secured Value 11,006,431,271
Unsecured Exemptions	520,220,776
	1,104,629,751
	Net Assessed Value 10,422,022,296

Source: County Assessor data, MuniServices, LLC

Use code categories are based on County Assessor's data

Note: This is a new schedule for the current CAFR.

**City of San Leandro  
Principal Property Tax Payers  
June 30, 2015  
Current Fiscal Year and Nine Years Ago**

Taxpayer	2015			2006		
	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Ghirardelli Chocolate Company	1	203,078,416	1.95%	2	70,198,153	0.87%
ProLogis	2	177,434,881	1.70%	15	23,995,133	0.30%
BCI Coca Cola Bottling Co	3	135,124,042	1.30%	5	55,558,093	0.69%
Safeway Inc.	4	96,654,586	0.93%	11	28,544,525	0.35%
Madison Bay Fair LLC	5	79,808,198	0.77%			
Georgia Pacific Corrugated LLC	6	78,571,162	0.75%	8	33,706,878	0.42%
Kaiser Foundation Hospitals	7	78,291,034	0.75%			
General Foods Corp	8	69,234,447	0.66%	24	16,273,900	0.20%
Waste Mgmt Of Alameda County	9	53,803,184	0.52%	20	19,524,632	0.24%
SKB Westgate Investments LLC	10	49,417,641	0.47%	17	20,657,286	0.26%
Creekside Plaza Partners LLC	11	43,594,448	0.42%			
Maxwell House Div	12	41,812,135	0.40%			
Gateway Buena Park Inc.	13	37,337,757	0.36%	10	32,837,138	0.41%
Emerald Properties	14	30,674,785	0.29%	12	27,121,244	0.34%
World Savings Loan Assoc	15	30,284,070	0.29%	16	21,375,843	0.26%
BRCP San Leandro Industrial LI	16	29,413,024	0.28%			
FPA Woodchase Assoc LP	17	29,054,490	0.28%			
Kir Bay East Iv LLC	18	28,150,000	0.27%			
Bigge Crane Rigging Company	19	28,084,784	0.27%			
Batarse Anthony A Jr	20	27,048,215	0.26%	1	119,479,820	1.48%
LBA Cpt Industrial Co II LLC	21	26,806,148	0.26%			
PLP Partners LP Wells Fargo Bank	22	26,512,341	0.25%			
Peterson Power Systems Inc.	23	26,429,056	0.25%	3	63,322,892	0.78%
Pk I Fashion Faire Place LP	24	25,050,000	0.24%			
Heritage Gateway LP	25	23,505,516	0.23%			
Bay Fair Dev Lic				4	57,139,498	0.71%
Fairfield Timbers Lp				6	49,715,025	0.61%
Lakeside Village Assoc				7	46,793,435	0.58%
Wri Greenhouse L P				9	33,193,082	0.41%
Heritage Assoc LLC				13	24,518,089	0.30%
Acco Engineered Systems Inc.				14	24,317,636	0.30%
Build CA QRS 12 24 Inc.				18	19,832,268	0.25%
San Leandro Industrial Propert				19	19,528,908	0.24%
Lucky Stores Inc.				21	18,225,751	0.23%
Price Co				22	18,134,510	0.22%
Olson Properties Lp				23	17,242,444	0.21%
Sullivan John J Mary T				25	15,859,554	0.20%
Total Top 25 Taxpayers		1,475,174,360	14.16%		877,095,737	10.84%
Total Taxable Value		10,420,298,464	100.00%		8,088,999,659	100.00%

Source: County Assessor data, MuniServices, LLC

**City of San Leandro  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Residual Distribution	Total Collections to Date	
		Amount	Percent of Levy			Amount	Percent of Levy
2006	8,720,537	8,105,748	92.95%	210,562	-	8,316,310	95.36%
2007	9,483,392	8,908,943	93.94%	393,199	-	9,302,142	98.09%
2008	10,093,368	9,370,261	92.84%	424,812	-	9,795,074	97.04%
2009	10,425,968	9,686,655	92.91%	322,758	-	10,009,413	96.00%
2010	9,857,438	9,303,586	94.38%	378,646	-	9,682,232	98.22%
2011	9,800,011	9,307,532	94.97%	230,948	-	9,538,480	97.33%
2012	9,676,693	9,190,945	94.98%	261,132	266,242	9,718,319	100.43%
2013	9,959,351	10,142,627	101.84%	287,147	222,507	10,652,282	106.96%
2014	10,732,261	10,338,768	96.33%	177,313	289,806	10,805,887	100.69%
2015	10,630,839	10,250,071	96.42%	158,636	337,278	10,745,985	101.08%

Source: Alameda County Auditor-Controller's Office

**City of San Leandro**  
**Historical Sales Tax Amount by Benchmark Year**  
**Last Ten Fiscal Years at Quarter 1 (Q1)**  
**(In Thousands)**

	2006 Q1	2007 Q1	2008 Q1	2009 Q1	2010 Q1	2011 Q1	2012 Q1	2013 Q1	2014 Q1	2015 Q1
All Other Outlets	6,756,511	7,300,578	6,812,691	5,828,207	4,838,382	4,959,468	5,628,376	5,838,162	6,456,661	8,568,716
Apparel Stores	930,058	1,033,651	1,047,896	1,085,789	1,058,216	1,183,930	1,264,994	1,380,060	1,446,611	1,488,093
Auto Dealers & Auto	2,865,197	2,675,387	2,348,285	1,964,037	1,869,949	2,013,466	2,369,915	2,546,983	2,936,212	3,143,375
Bldg. Matrl. & Farm	1,547,108	1,431,536	1,363,269	1,205,566	1,045,565	1,047,103	1,114,805	1,234,267	1,391,265	1,458,929
Drug Stores	241,258	264,045	245,245	249,938	238,200	226,615	224,407	219,551	229,323	231,077
Eating & Drinking Pl	989,260	1,060,022	1,114,149	1,157,493	1,098,974	1,117,200	1,181,432	1,245,697	1,421,799	1,536,036
Food Stores	487,542	503,900	530,598	497,971	446,555	444,322	459,691	478,422	487,667	514,038
General Merchandise	3,431,620	3,362,532	3,147,663	3,099,108	3,195,086	3,135,646	3,151,291	3,212,985	3,194,065	3,238,271
Home Furnishings & A	378,030	351,434	334,679	270,342	281,758	281,751	342,359	354,984	363,863	347,800
Other Retail Stores	1,328,167	1,363,722	1,364,957	1,249,039	1,127,522	1,197,236	1,240,499	1,264,344	1,339,502	1,367,210
Packaged Liquor Stor	65,265	64,347	69,082	77,733	64,919	61,387	69,791	73,406	107,545	128,426
Service Station	907,356	979,800	1,103,296	1,009,244	913,781	1,067,870	1,364,271	1,288,416	1,266,340	1,239,128
<b>TOTAL</b>	<b>19,927,372</b>	<b>20,390,954</b>	<b>19,481,810</b>	<b>17,694,467</b>	<b>16,178,907</b>	<b>16,735,994</b>	<b>18,411,831</b>	<b>19,137,277</b>	<b>20,640,853</b>	<b>23,261,099</b>

Source: State Board of Equalization (BOE) data, MuniServices, LLC



**City of San Leandro  
Principal Sales Tax Producers  
Last Fiscal Year and Nine Years Ago**

FY 2015		FY 2006	
Taxpayer	Business Type	Taxpayer	Business Type
Allied Building Products	Bldg.Matls-Whsle	ABB Con Cise Optical Group	Light Industry
Autocom Nissan East Bay	Auto Sales - New	Acoustical Material Services	Bldg.Matls-Whsle
Costco Wholesale	Department Stores	Costco Wholesale	Department Stores
Cummins Pacific	Heavy Industry	Cummins West	Heavy Industry
Enterprise Car Sales	Auto Sales - Used	Enterprise Rent-A-Car	Leasing
F.H. Dailey Chevrolet	Auto Sales - New	F.H. Dailey Chevrolet	Auto Sales - New
Home Depot	Bldg.Matls-Retail	Home Depot	Bldg.Matls-Retail
Macy's Department Store	Department Stores	K. Mart Stores	Department Stores
Nike Clearance Store	Apparel Stores	Macy'S Department Store	Department Stores
Norcal Kenworth	Auto Parts/Repair	Marina Square Auto Center	Auto Sales - New
Nordstrom Rack	Apparel Stores	Norcraft Companies	Bldg.Matls-Whsle
Onesource Supply Solutions	Electronic Equipment	Nordstrom Rack	Apparel Stores
Peterson Power Systems	Heavy Industry	Peterson Power Systems	Heavy Industry
Peterson Tractor	Heavy Industry	Peterson Tractor	Heavy Industry
Peterson Trucks	Auto Parts/Repair	Rexel	Electronic Equipment
Rexel	Electronic Equipment	Ross Stores	Apparel Stores
Ross Stores	Apparel Stores	Safeway Stores	Food Markets
Royal Whole Sale Electric	Bldg.Matls-Whsle	San Leandro Honda	Auto Sales - New
Safeway Stores	Food Markets	Target Stores	Department Stores
San Leandro Chrysler Jeep Dodge	Auto Sales - New	The Ford Store	Auto Sales - New
San Leandro Honda	Auto Sales - New	US Air Conditioning Distr	Bldg.Matls-Whsle
Target Stores	Department Stores	Wal Mart Stores	Department Stores
The Ford Store	Auto Sales - New	Western States Oil	Energy Sales
Wal Mart Stores	Department Stores	White Cap Industries	Bldg.Matls-Whsle
Western States Oil	Energy Sales	White GMC Truck Center	Auto Sales - New

Source: State Board of Equalization (BOE) data, MuniServices, LLC

**City of San Leandro  
Sewer Rates  
Last Ten Fiscal Years**

Fiscal Year	Sewer			Non-Residential	
	Single Family	Multi-Family	Commercial	Commercial	Institutional
2006	24.93	17.69	2.97 - 6.07	2.97 - 6.07	2.33
2007	26.29	18.65	3.13 - 6.40	3.13 - 6.40	2.45
2008	26.29	18.65	3.13 - 6.40	3.13 - 6.40	2.45
2009	26.29	18.65	3.13 - 6.40	3.13 - 6.40	2.45
2010	27.60	19.59	3.04 - 6.36	3.04 - 6.36	2.50
2011	26.29	18.65	2.45 - 6.40	2.45 - 6.40	2.45
2012	28.97	20.56	3.19 - 6.67	3.19 - 6.67	2.62
2013	29.98	21.28	3.30 - 6.90	3.30 - 6.90	2.71
2014	32.27	22.90	3.55 - 7.45	3.55 - 7.45	2.92
2015	33.07	23.54	3.65 - 7.66	3.65 - 7.66	3.00

Notes: Commercial and Institutional charge is based upon the volume of water used.

Source: City of San Leandro Public Works Department and Master Fee Schedule

## **DEBT CAPACITY**

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*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

Direct and Overlapping Debt - As of June 30, 2015

Pledged-Revenue Coverage - Last Ten Fiscal Years

Computation of Legal Debt Margin - Last Ten Fiscal Years

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years



**City of San Leandro  
Direct and Overlapping Debt  
As of June 30, 2015**

2014-15 Assessed Valuation	\$	10,524,398,911			
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>					
Bay Area Rapid Transit District			Total Debt 6/30/2015	% Applicable (1)	City's Share of Debt 6/30/15
Chabot-Las Positas Community College District			\$630,795,000	1.877%	\$11,840,022
San Leandro Unified School District			426,226,042	10.849	46,241,263
San Lorenzo Unified School District			193,263,582	90.879	175,636,011
East Bay Municipal Utility District, Special District No. 1			111,100,000	22.199	24,663,089
East Bay Regional Park District			10,910,000	0.011	1,200
City of San Leandro Cherrywood Community Facilities District			176,790,000	2.881	5,093,320
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			3,440,000	100.000	3,440,000
			\$		\$
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>					
Alameda County General Fund Obligations			\$869,204,500	4.77%	\$41,487,131
Alameda County Pension Obligation Bonds			67,164,225	4.773	3,205,748
Alameda-Contra Costa Transit District Certificates of Participation			24,790,000	5.659	1,402,866
San Leandro Unified School District Certificates of Participation			5,130,000	90.879	4,662,093
San Lorenzo Unified School District Certificates of Participation			8,485,000	22.199	1,883,585
<b>City of San Leandro General Fund Obligations</b>			<b>26,208,000</b>	<b>100.000</b>	<b>26,208,000</b>
<b>City of San Leandro Pension Obligation Bonds</b>			<b>15,555,000</b>	<b>100.000</b>	<b>15,555,000</b>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$		\$
					94,404,423
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>					
San Leandro Tax Allocation Bonds			\$13,997,000	100.00%	\$13,997,000
Alameda County – San Leandro Tax Allocation Bonds			24,645,000	56.989	14,044,939
TOTAL OVERLAPPING TAX INCREMENT DEBT					\$28,041,939
<b>TOTAL DIRECT DEBT</b>					<b>\$ 41,763,000</b>
TOTAL OVERLAPPING DEBT					\$ 347,598,267
COMBINED TOTAL DEBT					<b>\$ 389,361,267 (2)</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.54%
<b>Total Direct Debt (\$41,763,000)</b>	<b>0.40%</b>
Combined Total Debt	3.70%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,751,165,868):

Total Overlapping Tax Increment Debt	1.60%
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**City of San Leandro**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Special Assessment Bonds				Coverage
	Special Assessment Collections	Principal	Debt Service Interest		
2006	92,235	250,000	49,338	3.25	
2007	175,866	130,000	35,775	0.94	
2008	80,036	135,000	26,441	2.02	
2009	66	145,000	16,416	2,445.70	
2010	-	155,000	5,592	-	
2011	-	-	-	-	
2012	-	-	-	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	

Notes: The City implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation is not available.  
During Fiscal Year 2009-10 no assessments were necessary due to the availability of funds to pay the debt.

Source: City of San Leandro

**City of San Leandro  
Computation of Legal Debt Margin  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Valuation:										
Secured property assessed value	\$7,039,121,000	\$7,550,940,000	\$8,297,243,000	\$8,885,171,000	\$9,044,651,000	\$8,883,400,000	\$8,885,535,000	\$9,349,154,000	\$9,942,218,000	\$9,900,077,000
Addback: Exemptions	182,526,000	201,155,000	193,142,000	180,546,000	207,657,000	218,845,000	224,007,000	236,917,000	322,596,000	1,104,630,000
Total Assessed Valuation	\$7,221,647,000	\$7,752,095,000	\$8,490,385,000	\$9,065,717,000	\$9,252,308,000	\$9,102,245,000	\$9,109,542,000	\$9,586,071,000	\$10,264,814,000	\$11,004,707,000
Bonded debt (15% of Assessed Value)	\$1,083,247,050	\$1,162,814,250	\$1,273,557,750	\$1,359,857,550	\$1,387,846,200	\$1,365,336,750	\$1,366,431,300	\$1,437,910,650	\$1,539,722,100	\$1,650,706,050
Total Bonded Debt	68,926,350	66,215,025	63,802,461	88,653,126	87,662,234	84,549,436	99,120,825	46,698,820	44,557,992	42,478,441
Less:										
Special assessment bonds	(565,000)	(435,000)	(300,000)	(155,000)	-	-	-	-	-	-
Certificates of Participation	(40,245,000)	(39,085,000)	(38,015,000)	(36,860,000)	(35,660,000)	(34,420,000)	(29,515,000)	(19,250,000)	(18,445,000)	(17,605,000)
Capital Leases	(2,609,740)	(2,155,005)	(1,683,455)	(1,237,267)	(1,238,241)	(772,883)	(287,790)	(980,820)	(694,992)	(715,441)
Amount of Debt subject to Limit	25,506,610	24,540,020	23,804,006	50,400,859	50,763,993	49,356,553	69,318,035	26,468,000	25,418,000	24,158,000
Legal Debt Margin	\$1,057,740,440	\$1,138,274,230	\$1,249,753,744	\$1,309,456,691	\$1,337,082,207	\$1,315,980,197	\$1,297,113,265	\$1,411,442,650	\$1,514,304,100	\$1,626,548,050

Prior periods restated from previous CAFRs.

Notes: The City implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation is not available.

Source: County of Alameda office of Auditor-Controller

**City of San Leandro**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended	Total of Personal Income	Population	Governmental Activities							Business-Type Activity			Total Government-Wide			
			Tax Allocation Bonds	Pension Obligation Bonds	CFDs, COPs, and Lease Revenue Bonds (1)	Capital Leases	Other Debt	Total Governmental Debt	% of Personal Income	Debt per Capita	Total Business-Type Debt (2)	% of Personal Income	Debt per Capita	Total Government-Wide Debt	% of Personal Income	Debt per Capita
2006	4,823,308,800	80,928	20,815,000	-	40,810,000	2,609,740	6,130,611	70,365,351	1.46%	869.48	3,262,354	0.07%	40.31	44,072,354	0.91%	544.59
2007	5,038,926,000	81,273	20,485,000	-	39,520,000	2,155,005	5,301,021	67,461,026	1.34%	830.05	3,116,239	0.06%	38.34	42,636,239	0.85%	524.61
2008	5,115,687,500	81,851	20,140,000	-	38,315,000	1,683,458	4,661,707	64,800,165	1.27%	791.68	2,963,509	0.06%	36.21	41,278,509	0.81%	504.31
2009	4,750,387,200	82,472	47,050,000	-	37,015,000	1,237,265	5,826,219	91,128,484	1.92%	1,104.96	2,803,948	0.06%	34.00	39,818,948	0.84%	482.82
2010	4,932,751,900	83,183	46,075,000	-	35,660,000	1,238,241	7,810,992	90,784,233	1.84%	1,091.38	2,637,207	0.05%	31.70	38,297,207	0.78%	460.40
2011	5,248,658,550	85,490	44,920,000	-	34,420,000	772,883	7,495,553	87,608,436	1.67%	1,024.78	2,462,962	0.05%	28.81	36,882,962	0.70%	431.43
2012	5,159,811,699	85,941	-	18,305,000	29,515,000	287,790	2,865,000	50,972,790	0.99%	593.11	8,979,154	0.17%	104.48	38,494,154	0.75%	447.91
2013	5,310,979,146	86,666	-	17,585,000	28,133,000	980,820	2,238,000	48,936,820	0.92%	564.66	23,426,651	0.44%	270.31	51,559,651	0.97%	594.92
2014	5,545,682,831	89,189	-	16,675,000	27,188,000	694,992	2,107,000	46,664,992	0.84%	523.21	37,914,665	0.68%	425.10	65,102,665	1.17%	729.94
2015	5,524,820,829	88,441	-	15,555,000	26,208,000	715,441	1,976,000	44,454,441	0.80%	502.65	42,092,468	0.76%	475.94	68,300,468	1.24%	772.27

Note:

- (1) CFDs - Community Facility District; COPs - Certificate of Participation.
- (1) Business-type Activity Debt includes a Marina Note and a State Water Resources Control Board Loan (as of FY 2012).

Sources:

- (a) Taxable value of property provided by the Alameda County Tax Collector.
- (b) Population Projections are provided by the California Department of Finance Projections.
- (c) All other information provided by the City of San Leandro.



## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.*

Demographic and Economic Statistics - Last Ten Fiscal Years

Principal Employers - Current Year and Nine Years Ago



**City of San Leandro  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (in thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age</b>	<b>Public School Enrollment (3)</b>	<b>Median Home Price</b>	<b>Consumer Price Index</b>	<b>City Unemployment Rate (4)</b>
2006	80,928	4,823,309	59,600	37.7	8,724	552,500	209,100	4.6%
2007	81,273	5,038,926	62,000	36.7	8,729	477,500	216,120	5.0%
2008	81,851	5,115,688	62,500	37.7	8,722	363,000	225,180	6.9%
2009	82,472	4,750,387	57,600	38.0	8,855	305,000	225,692	10.3%
2010	83,183	4,932,752	59,300	38.9	8,801	334,194	227,697	10.8%
2011	85,490	5,248,659	61,395	39.5	9,000	309,800	232,082	10.0%
2012	85,941	5,159,812	60,039	37.6	8,776	320,000	228,110	9.3%
2013	86,666	5,310,979	61,281	39.1	8,769	400,000	245,935	7.4%
2014	89,189	5,545,683	62,179	39.2	8,668	440,000	253,317	6.3%
2015	88,441	5,524,821	62,469	39.2	8,617	510,000	238,654	4.8%

Source: MuniServices, LLC, U.S. Census Bureau, 2010 American Community Survey.

Source: 2013-14 and prior, previous published CAFR

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark. Therefore, the estimates for 2010 through 2012 published in this report might be noticeably different from the previous year estimates.

Notes:

- 1) Population Projections are provided by the California Department of Finance Projections.
- 2) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey. Income data has been restated from previous years.
- 3) Student Enrollment reflects the total number of students enrolled in the San Leandro Unified School District. Any other school districts within the City are not accounted for in this statistic.
- 4) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

**City of San Leandro  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2015			2006		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
San Leandro Unified School District	1,380	1	3.13%	1,312	1	3.30%
Permanente Medical Group Inc.	1,032	2	2.34%			
City of San Leandro	582	3	1.32%	476	4	1.20%
Ghirardelli Chocolate, Co.	487	4	1.10%	348	6	0.88%
San Leandro Hospital	460	5	1.04%	623	2	1.57%
OSI Soft, LLC	364	6	0.83%			
Costco Wholesale	358	7	0.81%	316	9	0.80%
BCI Coca-Cola Bottling Co-Service	325	8	0.74%	342	7	0.86%
Wal - Mart Store 2648	323	9	0.73%	415	5	1.04%
Paramedics Plus LLC	295	10	0.67%			
Kindred Hospital-SF Bay Area				252	10	0.63%
World Mortgage Company				481	3	1.21%
American Medical Response				321	8	0.81%

Source: City of San Leandro, San Leandro Unified School District  
Source: California Employment Development Department

## **OPERATING INFORMATION**

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

Full-Time and Part-Time City Employees by Function - Last Ten Fiscal Years

Operating Indicators by Function - Last Ten Fiscal Years

Capital Assets by Function - Last Ten Fiscal Years



**City of San Leandro**  
**Full-Time and Part-Time City Employees by Function**  
**Last Ten Fiscal Years**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	59	57	59	62	55	49	51	50	51	55
Police	142	141	147	150	142	133	136	136	139	139
Engineering & Transportation	31	30	29	30	30	25	25	27	27	27
Development Services	24	24	24	23	19	18	19	21	22	22
Public Works Services	123	118	120	122	113	104	103	102	101	102
Other Agencies	6	8	9	8	9	8	8.5	0	0	0
Library	37	45	46	49	40	33	33	33	33	33
Recreation & Human Services	54	57	73	57	45	35	33	37	39	39
Total	476	480	507	501	453	405	409	406	412	417

Notes:  
Numbers represent Full-Time equivalents. Fire Services contracted with the Alameda County Fire Department.

Source: City of San Leandro

**City of San Leandro  
Operating Indicators by Function  
Last Ten Fiscal years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Police Department:</u>										
Arrests	4,769	3,769	3,939	4,026	3,722	3,486	3,299	3,279	3,036	2,148
<u>Building Department:</u>										
Permits Issued	4,014	2,791	3,569	2,541	2,507	2,446	2,503	2,564	2,624	1,961
<u>Public Works Department:</u>										
Street reconstruction (miles)	1.70	0.68	5.59	-	2.34	0.55	1.39	-	1.35	0.26
Street resurfacing (miles)	2.56	-	4.44	-	2.72	4.00	8.68	-	17.94	5.39
<u>Parks and Recreation:</u>										
Number of registrants	13,203	18,033	21,850	18,413	16,584	17,099	20,236	21,324	18,914	17,737
Number of facility rentals	542	602	746	752	705	1,190	1,282	1,999	2,656	3,830
<u>Golf Course:</u>										
Golf rounds played	106,000	110,104	102,182	101,760	98,000	98,000	97,310	95,995	96,450	102,534

Notes:

Fire Services are contracted with the Alameda County Fire Department.

Building Department: Methodology changed in 2015 from issuing permits for each discipline to one consolidated permit per project.

Source: City of San Leandro Recreation Department, Police Department, Public Works, and Building Regulations.



**City of San Leandro  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Police:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Fire:</u>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
<u>Park and Recreation:</u>										
Parks	16	16	16	16	16	16	16	16	16	16
Community Center	1	1	1	1	2	2	2	2	2	2
<u>Public works:</u>										
Streets (miles)	180	180	180	180	180	180	180	180	180	180
Streetlights	5,000	5,000	5,005	5,005	5,005	5,005	5,005	5,205	5,205	5,205
Traffic signals	8,500	8,500	8,600	8,600	8,600	8,600	8,600	8,650	8,650	8,650
<u>Wastewater:</u>										
Sanitary Sewer Lines (miles)	130	130	130	130	130	130	130	130	130	130
Storm Drainage Lines In the City (mil)	175	175	175	175	175	175	175	175	175	175
<u>Golf Course:</u>										
Courses	2	2	2	2	2	2	2	2	2	2

Sources: City of San Leandro: Public Works Department, Engineering & Transportation Department, Recreation Department

