

CITY OF SAN LEANDRO

• CALIFORNIA •



# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018



**CITY OF SAN LEANDRO, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2018**

**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, 2018**

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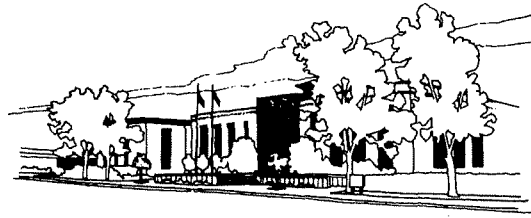
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**City of San Leandro**

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



April 26, 2019

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, 2018. 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, 2018.

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, 2018 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 unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2018 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 88,300 residents the quiet charm and character of a community that has been established for 145 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, 2018, there were no discretely reportable component units. The City's blended component units include operations of the San Leandro Parking Authority and the San Leandro Public Financing Authority.

The CAFR for the year ending June 30, 2018 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, current data indicates median home prices are \$689,000, near the median price at the 2006 peak. The unemployment rate is 3%.

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 grown to higher levels due to voter-approved tax measures in 2014 and 2016. Low mortgage rates have spurred investment in housing. The improving housing market, which represents 63% of the City's tax roll, led to a 5.7% growth in taxable assessed value for Fiscal year 2017-18. Sales tax increased 3% in the City. With the passage of Measure HH (0.5% sales tax increase) effective April 1, 2015, the half-cent sales tax added \$11.9 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 2017-18 totaled \$12.6 million, a 4% decrease 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 2017-18 totaled \$2 million, which is unchanged 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 11% of salary.

### **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 staffing peaked in 2008-09 to produce recurring budget savings to address unfunded liabilities. Passage of Measure Z in November 2010, Measure HH in 2014 and Measures OO, PP and NN in 2016 have improved revenues enough to restore selective services, such as the community care initiative and emergency preparedness.

City Council unrestricted reserves total \$36.6 million in the General Fund at June 30, 2018. The restricted reserve balance is \$16.6 million.

## **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 2017-18 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**

Energy and Water Efficiency Improvements As part of City Council's goal to maintain and enhance San Leandro's infrastructure, the City entered into a \$5.2 million contract to replace streetlights with brighter, energy efficient LED lights, new lighting systems at 23 City buildings, including the main Library, new HVAC systems at three City buildings and new irrigation for City-owned landscape. The contractor has guaranteed the savings will be sufficient to pay the cost of the project over its useful life. This project was completed in November 2018.

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) provides 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. The first fully leased, 132,000 square feet and six level parking garage was opened in November 2016 by Westlake Development Partners and the first 115 units of the Marea Alta project opened in May 2017 and the final 85 units will open in 2019. Similarly, Westlake's second office building has finished construction and provides another 132,000 square feet of office space. Ghiradelli Chocolate Co has leased the top floor of this building. A third office building or hotel is expected to commence construction in the coming year.

## **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 16.67% of General Fund operating expenditures (budgeted expenditures for the following year). Consequently, based on the General Fund's budgeted operating expenditures for 2018-19 the guideline requirement is approximately \$19.6 million.

The 2017-18 financial statements reflect unrestricted reserves that total \$36.6 million. The Unassigned Fund Balance aligns with the Council's fund balance guideline to provide at least 16.7% unrestricted, General Fund reserve, as a percentage of next fiscal year's General fund Operating Budget.

## **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, 2017. This was the 22<sup>nd</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 Norite Vong, Rita Gurule-Salcido, Susan Nunes, 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.

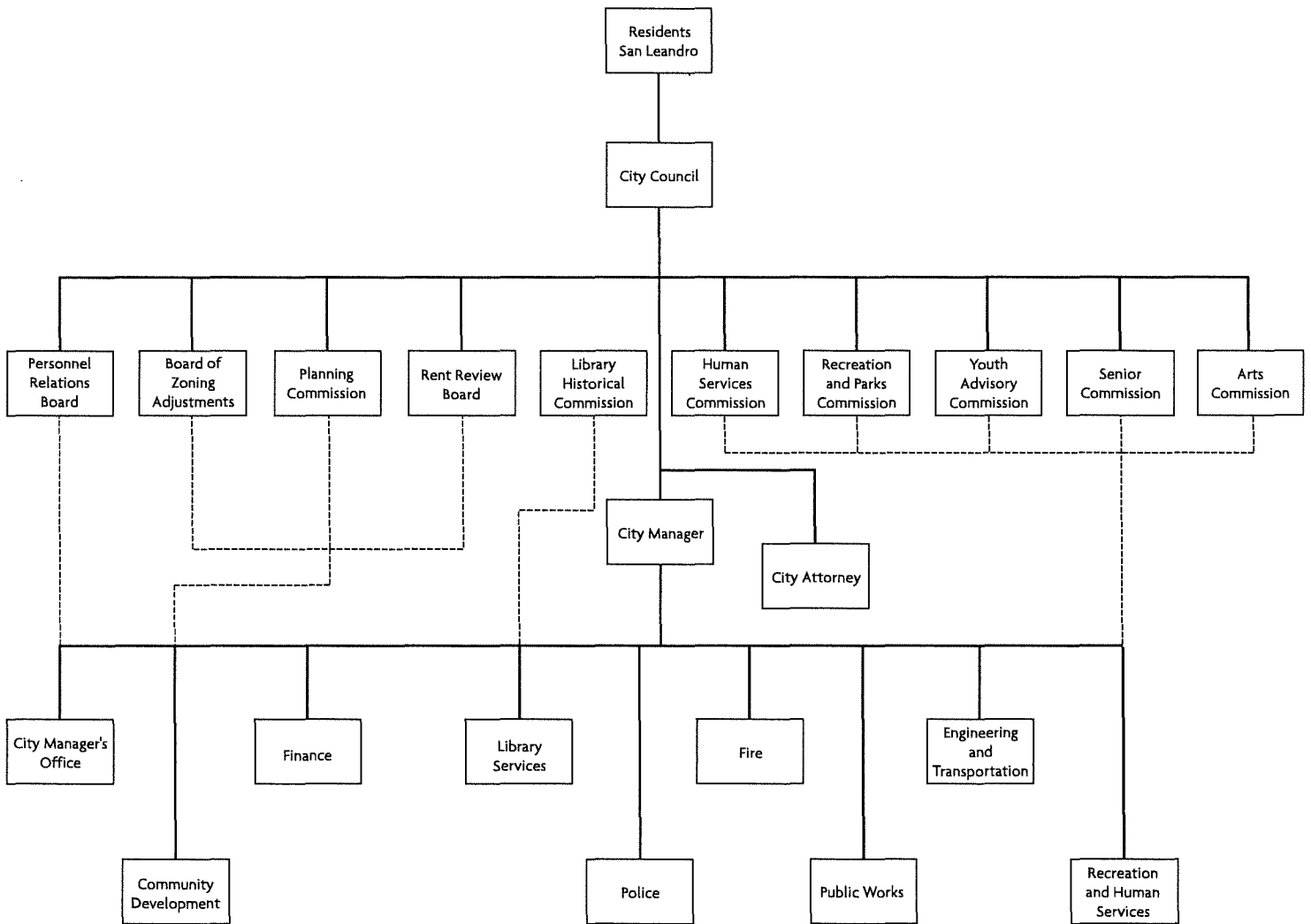
Finally, I want to thank the City Manager and the City Council for their continued interest and support in planning and conducting the City's financial operations.

Respectfully submitted,



David Baum  
Finance Director

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



**PRINCIPAL OFFICERS**  
**CITY OF SAN LEANDRO**  
**For Fiscal Year Ended June 30, 2018**

**CITY COUNCIL**

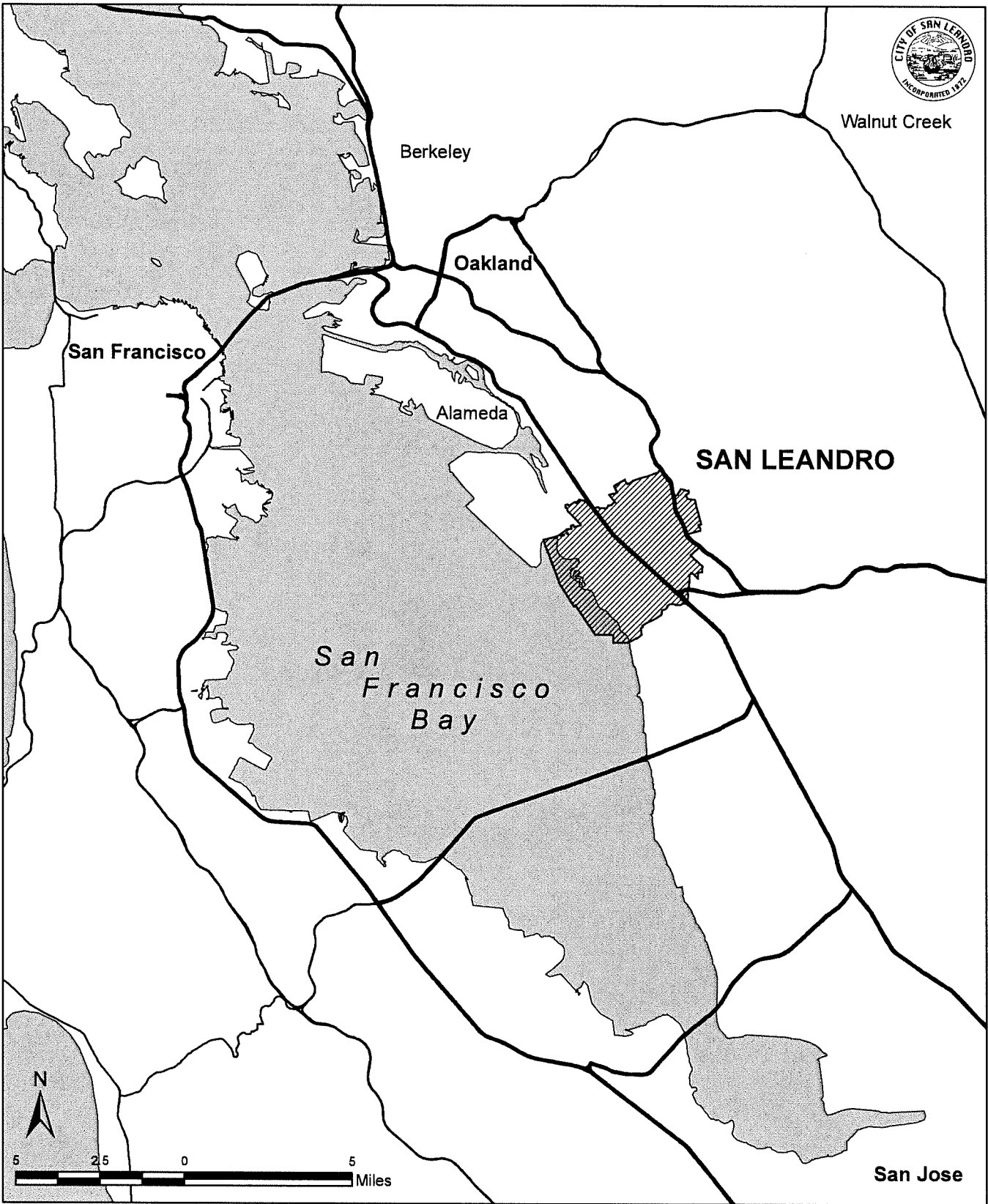
Mayor	Pauline Russo Cutter
Vice Mayor	Deborah Cox
Councilmember	Pete Ballew
Councilmember	Ed Hernandez
Councilmember	Benny Lee
Councilmember	Corina López
Councilmember	Lee Thomas

**COUNCIL APPOINTEES**

City Manager	Chris Zapata
City Attorney	Richard Pio Roda

**APPOINTED OFFICIALS**

Assistant City Manager	Jeff Kay
City Clerk	Tamika Greenwood
Police Chief	Jeff Tudor
Community Development Director	Tom Liao
Finance Director	David Baum
Recreation and Human Services Director	Jeanette Dong
Engineering – Transportation Director	Keith Cooke
Public Works Director	Debbie Pollart







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, 2017**

*Christopher P. Morrill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of 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 (City), California, as of and for the year ended June 30, 2018, 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Change in Accounting Principles*

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a restatement of the beginning net position balance of the Governmental Activities as discussed in Note 9E.

## *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, Supplementary 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 Supplementary 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary 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 April 26, 2019, 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

April 26, 2019



**CITY OF SAN LEANDRO, CALIFORNIA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

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, 2018. 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 City's assets exceeded its liabilities by \$190.2 million (net position), a \$16.1 million decrease from the prior year. Of the net position, \$216.1 million was invested in capital assets, \$41.1 million was restricted for other purposes, and (\$67.0) million was unrestricted. While Net Investment in Capital Assets and Unrestricted Net Position saw a decrease of \$5.5 million and \$20.1 million, respectively, restrict net position increased by \$9.5 million.
- Assets and Deferred Outflow of Resources saw an increase of \$1.5 million from the prior fiscal year, fully offset by an increase in Liabilities and Deferred Inflow of Resources of \$17.7 million. The increase in Liabilities is in part due to an increase in the net pension liability and the implementation of GASB Statement Number 75, which recognizes the net OPEB liability within the Statement of Net Position.
- As of June 30, 2018, the City's total net position decrease of \$16.1 million is comprised of a \$17.3 million decrease in governmental activities and a \$1.2 million increase in Business-Type activities.
- Per 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 9, which details the classifications of the City's new fund balance categories. The City's governmental fund balance, which include the general, special revenue, debt service, and capital projects funds, increased by \$11.7 million for an ending fund balance of \$94.3 million.
  - a) Approximately 11.9% of the amount (\$11.3 million) is Nonspendable because the funds are not available or spendable due to advances and loans to other funds.
  - b) Approximately 43.7% of the amount (\$41.2 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 5.6% of the amount (\$5.3 million) is Assigned which are General fund encumbrances from prior fiscal year and a reserve to fund anticipated Other Post Employment Benefits (OPEB) costs resulting from the City's contract for Fire Services with Alameda County.
  - d) Approximately 38.8% of the amount (\$36.5 million) is Unassigned and available for spending in the future. Unassigned is further categorized by Compensated Absences, Major Emergencies, Economic Uncertainties and offsets from other fund deficits.

## 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, 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 two different types of programs or activities. These two 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 (Police and Fire), Engineering & Transportation (includes Public Works), Recreation and Culture (includes 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 two are 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 two major funds are the General Fund and the Capital Improvement Capital Project Fund. 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 other major and 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 various City 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 greater 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, more detailed information about the City's agreement with the California Public Employees Retirement System (CalPERS) for the defined benefit pension plan, and more detailed information on the City's Other Post Employment Benefit Plan (OPEB).

## 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 \$190.2 million at the close of fiscal year 2017-18, a decrease of 7.8% due to reasons noted earlier.

**City of San Leandro**  
**Net Assets at June 30, 2018**  
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2018	2017	% change	2018	2017	% change	2018	2017	% change
Current Assets	\$ 111,605	\$ 99,803	11.8%	34,636	38,217	-9.4%	\$ 146,241	\$ 138,020	6.0%
Non-Current Assets	8,597	16,363	-47.5%	(3,888)	(3,351)	16.0%	4,709	13,012	-63.8%
Capital Assets	210,047	217,635	-3.5%	75,236	73,354	2.6%	285,283	290,989	-2.0%
<b>Total assets</b>	<b>330,249</b>	<b>333,801</b>	<b>-1.1%</b>	<b>105,984</b>	<b>108,220</b>	<b>-2.1%</b>	<b>436,233</b>	<b>442,021</b>	<b>-1.3%</b>
Deferred Outflows of Resources	42,627	35,263	20.9%	2,719	2,772	-1.9%	45,346	38,035	19.2%
Current and other liabilities	15,761	16,003	-1.5%	3,033	4,572	-33.7%	18,794	20,575	-8.7%
Long-term liabilities	213,070	192,001	11.0%	52,733	54,562	-3.4%	265,803	246,563	7.8%
<b>Total liabilities</b>	<b>228,831</b>	<b>208,004</b>	<b>10.0%</b>	<b>55,766</b>	<b>59,134</b>	<b>-5.7%</b>	<b>284,597</b>	<b>267,138</b>	<b>6.5%</b>
Deferred Inflows of Resources	6,725	6,401	5.1%	102	185	-44.9%	6,827	6,586	3.7%
Net assets:									
Net investment in capital assets	181,179	190,556	-4.9%	34,872	31,056	12.3%	216,051	221,612	-2.5%
Restricted	41,104	31,648	29.9%	-	-	N/A	41,104	31,648	29.9%
Unrestricted	(84,963)	(67,544)	25.8%	17,963	20,616	-12.9%	(67,000)	(46,928)	42.8%
<b>Total net position</b>	<b>\$ 137,320</b>	<b>\$ 154,660</b>	<b>-11.2%</b>	<b>52,835</b>	<b>51,672</b>	<b>2.3%</b>	<b>\$ 190,155</b>	<b>\$ 206,332</b>	<b>-7.8%</b>

The City's \$216.1 million net investment in capital assets such as infrastructure, land, buildings, machinery, and equipment is by far the largest portion of the City's net position. Because the City uses these capital assets to provide services to residents, these assets are not available for future spending. Although 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.

Of the City's total net position, \$41.1 million represents resources that are subject to external restriction on how they may be used. The remaining balance of (\$67.0) million represents an 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.

Year over year, the City's total net position for both governmental and business-type activities decreased by \$16.1 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, 2018**  
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
<b>Revenues</b>									
Program revenues:									
Charges for Services	\$ 18,675	\$ 16,957	10.1%	\$ 16,369	\$ 16,859	-2.9%	\$ 35,044	\$ 33,816	3.6%
Operating grants and contributions	6,579	5,334	23.3%	-	-	0.0%	6,579	5,334	23.3%
Capital grants and contributions	9,395	9,457	-0.7%	369	243	51.9%	9,764	9,700	0.7%
General revenues:									
Property taxes	22,994	20,858	10.2%	-	-	0.0%	22,994	20,858	10.2%
Sales tax	42,990	41,728	3.0%	-	-	0.0%	42,990	41,728	3.0%
Franchise Fee	5,269	5,103	3.3%	-	-	0.0%	5,269	5,103	3.3%
Utility users Tax	10,719	10,975	-2.3%	-	-	0.0%	10,719	10,975	-2.3%
Property Transfer Tax	5,177	5,459	-5.2%	-	-	0.0%	5,177	5,459	-5.2%
911 communication Access Tax	3,035	2,890	5.0%	-	-	0.0%	3,035	2,890	5.0%
Other taxes	1,008	908	11.0%	806	629	28.1%	1,814	1,537	18.0%
Investment Earnings	1,692	1,560	8.5%	284	180	57.8%	1,976	1,740	13.6%
Gain or loss on sale of assets	1,021	3	33933.7%	-	-	0.0%	1,021	3	33933.7%
Miscellaneous	5,427	1,703	218.7%	-	-	0.0%	5,427	1,703	218.7%
<b>Total Revenues</b>	<b>133,981</b>	<b>122,935</b>	<b>9.0%</b>	<b>17,828</b>	<b>17,911</b>	<b>-0.5%</b>	<b>151,809</b>	<b>140,846</b>	<b>7.8%</b>
<b>Expenses</b>									
General Government	13,659	8,525	60.2%	-	-	0.0%	13,659	8,525	60.2%
Public safety	64,972	54,510	19.2%	-	-	0.0%	64,972	54,510	19.2%
Engineering & Transportation	32,933	28,124	17.1%	-	-	0.0%	32,933	28,124	17.1%
Recreation and Culture	14,756	13,228	11.6%	-	-	0.0%	14,756	13,228	11.6%
Community Development	10,217	8,135	25.6%	-	-	0.0%	10,217	8,135	25.6%
Interest on Long-Term Debt	1,677	2,218	-24.4%	-	-	0.0%	1,677	2,218	-24.4%
Water Pollution Control	-	-	0.0%	12,185	10,796	12.9%	12,185	10,796	12.9%
Shoreline	-	-	0.0%	1,786	1,755	1.8%	1,786	1,755	1.8%
Storm Water Utility	-	-	0.0%	1,412	1,106	27.7%	1,412	1,106	27.7%
Environmental Services	-	-	0.0%	1,095	1,066	2.7%	1,095	1,066	2.7%
<b>Total Expenses</b>	<b>138,214</b>	<b>114,740</b>	<b>20.5%</b>	<b>16,478</b>	<b>14,723</b>	<b>11.9%</b>	<b>154,692</b>	<b>129,463</b>	<b>19.5%</b>
Excess(deficiency)of revenues									
over expenses before transfers	(4,233)	8,195	-151.7%	1,350	3,188	-57.7%	(2,883)	11,383	-125.3%
Transfer	188	-	0.0%	(188)	-	0.0%	-	-	0.0%
<b>Increase in net position</b>	<b>(4,045)</b>	<b>8,195</b>	<b>-149.4%</b>	<b>1,162</b>	<b>3,188</b>	<b>-63.6%</b>	<b>(2,883)</b>	<b>11,383</b>	<b>-125.3%</b>
Beginning net position									
	141,365	146,464	-3.5%	51,673	48,485	6.6%	193,038	194,949	-1.0%
Ending net position									
	\$ 137,320	\$ 154,659	-11.2%	\$ 52,835	\$ 51,673	2.2%	\$ 190,155	\$ 206,332	-7.8%

**Revenue** – Total revenue for fiscal year 2017-18 amounted to \$151.8 million, an \$11 million increase from the prior year. This entire amount comes from within governmental activities, representing a 9.0% increase in revenue. Revenue from business-type activities did not change significantly from the prior year. The increase in revenue within governmental activities are due to the following:

- Property taxes increased 10.2% or \$2.1 million when compared to the 2016-17 fiscal year. This is consistent with an increase in property taxes levied and assessed valuations provided through the County Assessor’s Office.
- Sales tax revenue increased by 3.0% or \$1.3 million, year over year. The City’s three largest sales tax producing sectors were General Retail, Business to Business, and Transportation followed by Construction and Food Products. On a more granular level, the City saw significant sales tax revenue growth in wholesale building materials and heavy industry. New auto sales, on the other hand, continue to decrease from its high in FY2015-16.
- Charges for services in Governmental activities are primarily fees for recreation, building, fire, planning and engineering services. Revenue from these charges saw an increase of \$1.7 million.
- Operating grants, capital grants, and contributions include Federal and State grants and other government and private contributions, including impact fees. Operating grants, capital grants and contributions increased by \$1.2 million in 2017-18.
- Miscellaneous revenues increased by \$3.7 million from the prior fiscal year. This is due to a transfer of \$3.7 million from the Successor Agency for the Hays Street Streetscape project, capital improvements to the Triangle, and various improvements along the northern and south portions of East 14<sup>th</sup> Street.
- Gain or loss on sale of assets increased by \$1.0 million through the sale of 268 Parrott Avenue and 2139 Laura Avenue.

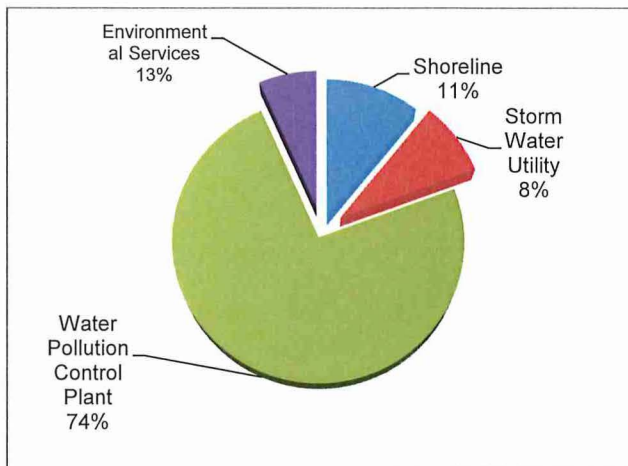
**Expenses** – Total expenses for both governmental and business-type activities increased by \$25.2 million compared to the prior fiscal year. Program expenses for governmental activities, as a whole, increased by \$23.4 million while program expenses for business-type activities increased by \$1.8 million. For each governmental and business-type activity, the total costs are the expenses associated with that activity.

	Change in expense (in thousands)		
	2018	2017	% Change
General Government	\$ 13,659	\$ 8,525	60.2%
Public safety	64,972	54,510	19.2%
Engineering & Transportation	32,933	28,124	17.1%
Recreation and Culture	14,756	13,228	11.6%
Community Development	10,217	8,135	25.6%
Interest on Long-Term Debt	1,677	2,218	-24.4%
Governmental Activities	138,214	114,740	20.5%
Water Pollution Control Plant	12,185	10,796	12.9%
Shoreline	1,786	1,755	1.8%
Storm Water Utility	1,412	1,106	27.7%
Environmental Services	1,095	1,066	2.7%
Business-Type Activities	16,478	14,723	11.9%
Total Expenses	\$ 154,692	\$ 129,463	19.5%

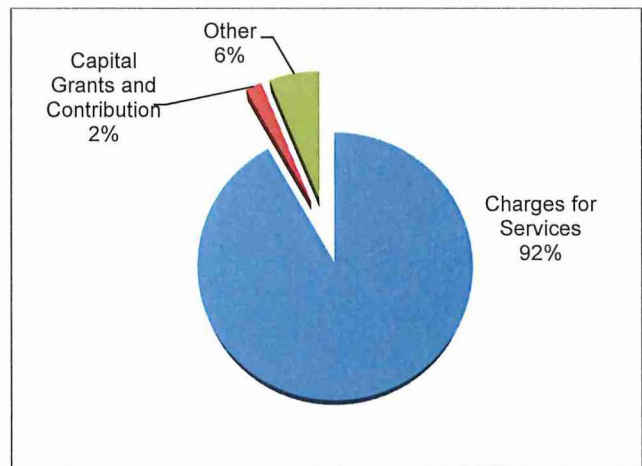
- Within governmental activities, Public Safety saw the largest increase in program expenses at \$10.5 million greater than the prior fiscal year. This represents a 19.2% increase, year over year. General Government and Engineering & Transportation followed with a \$5.1 million and \$4.8 million increase, respectively.
- Business-Type activities saw increases in expenses across the board for a total of \$1.8 million. Of that amount, the largest increase was from the Water Pollution Control Plant at \$1.4 million.

**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 \$1.2 million from prior fiscal year mainly due to the Shoreline Fund’s operating income, before transfers, of \$1.1 million. The Shoreline Fund’s net position increased from \$97,122 to \$1.1 million.

**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 2017-18, the City’s governmental funds reported combined ending fund balances of \$94.3 million, an increase of \$11.7 million in comparison with the prior year. Approximately 11.9% or \$11.3 million of the fund balance represents Nonspendable; 43.7% or \$41.2 million represents Restricted; 5.6% or \$5.3 million represents Assigned; and 38.8% or \$36.5 million is Unassigned and is available for spending at the Council’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 83.3% of the total governmental revenues and 81.0% 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 2017-18, the unassigned fund balance of the General Fund was \$36.6 million, while the total fund balance was \$53.2 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 36.9% of total General Fund expenditures of \$99.2 million (not including Transfers Out). The Unassigned Fund Balance of \$36.6 million has been designated for the following purposes:

- \$624,135 for Compensated Absences
- \$5.0 million for Major Emergencies
- \$2.8 million for Economic Uncertainty
- \$28.1 million for liquidity and other purposes

At the end of fiscal year 2017-18 the General Fund ending balance increased by \$2.2 million compared to prior fiscal year. General fund revenues increased by \$5.6 million primarily due to increases from property tax (\$2.1 million), sales tax (\$1.3 million), business licensing (\$800,000), and the sale of property (\$470,000). General Fund expenditures (not including Transfers Out) show an increase of \$7.3 million from prior fiscal year. The increase is largely due to public safety (\$4.7 million increase) and engineering and transportation (\$933,000 increase). Transfers Out increased by \$33,000.

## **Capital Improvement Capital Projects Fund**

The Capital Improvement Capital Projects Fund is also a major governmental fund and accounted for 3.4% of the total governmental revenues and 6.2% of the total expenditures (not including other financing sources such as issuance of debts or interfund transfers). The fund accounts for monies for major capital improvement projects not provided for in the other special revenue funds such as the Measure B, BB, and F Funds. At June 30, 2018, the Capital Improvement Capital Projects Fund had a total fund balance of \$23.0 million, an increase of 43.5% from the prior fiscal year due to a number of projects that have not been fully completed such as the South Office and Police Building modifications, Boat Harbor Decommission, and Farrelly Pool Replacement.

## **Non-major Governmental Funds**

The City's non-major funds are presented in the basic financial statements in the aggregate. As of June 30, 2018, non-major funds had a total fund balance of \$18.1 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 was \$52.8 million at the end on June 30, 2018, an increase of \$1.2 million from the prior fiscal year. The total net position of the internal service funds was \$11.8 million at the end on June 30, 2018, an increase of only \$2.4 million from the prior fiscal year.

### **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, 2018, the fund's net position totaled \$50.6 million, an increase of nearly \$500,000 or 1.0%.

### **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, 2018, the fund's net position totaled \$1.1 million. Net position for the prior year was \$97,122. This increase of \$1.0 million is due to an improving and increasing annual operating income.

### **Non-major Enterprise Funds**

The City's non-major enterprise funds include the Storm Water Utility and Environmental Services. Year over year, ending net position for non-major enterprise funds decreased by 19.3%, or \$290,000. This decrease is solely due to the Storm Water Utility fund, which ends with a negative net position of \$290,439. The fund had an operating loss of \$356,000 for the year ending June 30, 2018. More information about these aggregate non-major enterprise funds can be found in the combining statements following the required supplementary information.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund ended the fiscal year with actual revenues 2.2% above final budget projections. In total, general fund revenue was \$2.5 million greater than projected, largely due to Property Transfer Tax which were \$2.0 million above projections. Expenditures were 7.8% or \$8.3 million below projections.

**CITY OF SAN LEANDRO**  
**Summary Analysis of General Fund Budget, Fiscal Year 2017-18**  
(in thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
<b>REVENUES:</b>				
Property taxes and other taxes	\$ 89,292	\$ 89,291	\$ 91,066	\$ 1,775
Licenses and permits	8,632	8,632	9,583	951
Fines and forfeitures	1,495	1,495	1,688	193
Services charges	3,347	3,347	3,207	(140)
Intergovernmental	1,080	1,119	1,211	92
Use of money and property	1,267	1,285	1,633	348
Interdepartmental charges	2,000	2,000	2,000	(0)
Other	1,914	1,957	1,201	(756)
<b>Total revenues</b>	<u>109,027</u>	<u>109,126</u>	<u>111,589</u>	<u>2,463</u>
<b>EXPENDITURES:</b>				
Current:				
General government	12,173	13,387	11,659	1,728
Public safety	61,955	62,321	59,428	2,893
Engineering and transportation	10,049	10,112	9,476	636
Recreation and culture	10,848	10,997	10,534	463
Community development	6,303	7,808	5,699	2,109
Debt service:				
Principal	2,060	2,059	1,569	490
Interest and fees	810	810	808	2
<b>Total expenditures</b>	<u>104,198</u>	<u>107,494</u>	<u>99,173</u>	<u>8,321</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>4,829</u>	<u>1,632</u>	<u>12,416</u>	<u>10,784</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(10,179)	(10,206)	(10,206)	-
<b>Total other financing sources (uses)</b>	<u>(10,179)</u>	<u>(10,206)</u>	<u>(10,206)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,350)</u>	<u>\$ (8,574)</u>	<u>2,210</u>	<u>\$ 10,784</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>50,962</u>	
End of year			<u>\$ 53,172</u>	



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2018 amount to \$285.3 million, net of accumulated depreciation. This represents a decrease of \$5.7 million due to an annual depreciation expense of over \$18.4 million offset by construction in progress of the Water Pollution Control Plant, the Climatec project, and a brand new Fire Ladder Truck.

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.

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

**City of San Leandro**  
**Capital Assets (net of depreciation)**  
**Year Ended June 30, 2018**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 16,550	\$ 16,648	\$ 5,234	\$ 5,234	\$ 21,784	\$ 21,882
Construction in progress	8,593	1,316	3,482	-	12,075	1,316
Total non-depreciable assets	25,143	17,964	8,716	5,234	33,859	23,198
Depreciable assets (net of depreciation)						
Buildings	55,963	57,716	58,424	59,737	114,387	117,453
Improvements other than buildings	2,738	2,940	-	-	2,738	2,940
Machinery and equipment	2,446	1,916	2,748	2,903	5,194	4,819
Licensed Vehicles	4,813	4,524	34	36	4,847	4,560
Infrastructure	118,944	132,575	5,315	5,443	124,259	138,018
Total depreciable assets	184,904	199,671	66,521	68,119	251,425	267,790
Total capital assets	\$ 210,047	\$ 217,635	\$ 75,237	\$ 73,353	\$ 285,284	\$ 290,988

Additional information on the City's capital assets can be found in Note 5 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 \$79.3 million, a decrease of \$5.4 million from the prior fiscal year.

At the end of the current fiscal year, the City's total long-term debt outstanding for governmental activities is \$39.0 million, a decrease of \$3.4 million from the prior fiscal year. The result reflects normal debt amortization as seen in Note 6 of the notes to the financial statements.

At the end of the current fiscal year, the City's total long-term debt outstanding for business-type activities is \$40.4 million, a decrease of \$1.9 million from the prior fiscal year. The decrease reflects normal debt amortization for the State Water Resources Control Board Loan and Marina Cal Boating Loan.

Additional information on the City's long-term debt obligations can be found in Note 6 of the notes to the financial statements.

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

	City of San Leandro Outstanding Debt Year Ended June 30, 2018 (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 32,120	\$ 35,041	\$ -	\$ -	\$ 32,120	\$ 35,041
Other loans	6,838	7,363	40,364	42,298	47,202	49,661
Total	\$ 38,958	\$ 42,404	\$ 40,364	\$ 42,298	\$ 79,322	\$ 84,702

## 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, 2018**

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments (Note 2)	\$ 92,778,152	\$ 32,571,522	\$ 125,349,674
Cash and investments with fiscal agent (Note 2)	460,433		460,433
Receivables:			
Property taxes	186,297	-	186,297
Accounts	17,708,710	1,988,519	19,697,229
Interest	194,193	76,368	270,561
Special assessments	76,832	-	76,832
Inventory and prepaid items	200,803	-	200,803
<b>Total current assets</b>	<b>111,605,420</b>	<b>34,636,409</b>	<b>146,241,829</b>
Noncurrent assets:			
Loans receivable (Note 3)	2,712,131	-	2,712,131
Internal balances (Note 4E)	3,888,789	(3,888,789)	-
Loan to Successor Agency (Note 4C)	1,995,631	-	1,995,631
Capital assets (Note 5):			
Non-depreciable	25,143,198	8,715,872	33,859,070
Depreciable	495,884,577	80,448,719	576,333,296
Less accumulated depreciation	(310,980,450)	(13,928,188)	(324,908,638)
Capital assets, net	210,047,325	75,236,403	285,283,728
<b>Total noncurrent assets</b>	<b>218,643,876</b>	<b>71,347,614</b>	<b>289,991,490</b>
<b>Total Assets</b>	<b>330,249,296</b>	<b>105,984,023</b>	<b>436,233,319</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension (Note 13)	42,069,405	2,718,894	44,788,299
Related to OPEB (Note 14)	557,626		557,626
<b>Total Deferred Outflows of Resources</b>	<b>42,627,031</b>	<b>2,718,894</b>	<b>45,345,925</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accruals:			
Accounts payable and accruals	7,204,711	953,697	8,158,408
Interest payable	242,658	41,448	284,106
Other liabilities	66,369	-	66,369
Unearned revenue (Note 8)	2,783,022	-	2,783,022
Compensated absences - Due within one year (Note 7)	639,193	47,210	686,403
Claims and judgments payable - Due within one year (Note 11)	1,170,645	-	1,170,645
Long-term debt - Due within one year (Note 6)	3,654,160	1,990,316	5,644,476
<b>Total current liabilities</b>	<b>15,760,758</b>	<b>3,032,671</b>	<b>18,793,429</b>
Noncurrent liabilities:			
Deposits	-	51,595	51,595
Compensated absences payable - Due in more than one year (Note 7)	3,037,274	477,351	3,514,625
Claims and judgments payable - Due in more than one year (Note 11)	5,427,699	-	5,427,699
Net pension liability (Note 13)	162,773,276	13,830,332	176,603,608
Net OPEB liability (Note 14)	4,591,354	-	4,591,354
Long-term debt - Due in more than one year (Note 6)	37,240,400	38,373,780	75,614,180
<b>Total noncurrent liabilities</b>	<b>213,070,003</b>	<b>52,733,058</b>	<b>265,803,061</b>
<b>Total Liabilities</b>	<b>228,830,761</b>	<b>55,765,729</b>	<b>284,596,490</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension (Note 13)	6,725,266	102,179	6,827,445
<b>NET POSITION (Note 9)</b>			
Net investment in capital assets	181,178,754	34,872,307	216,051,061
Restricted for:			
Capital projects	23,037,079	-	23,037,079
Debt service	1,113,947	-	1,113,947
Engineering and transportation	10,546,209	-	10,546,209
Recreation and culture	763,324	-	763,324
Community Development	4,572,972	-	4,572,972
Public Safety	1,070,501	-	1,070,501
<b>Total restricted</b>	<b>41,104,032</b>	<b>-</b>	<b>41,104,032</b>
Unrestricted	(84,962,486)	17,962,702	(66,999,784)
<b>Total Net Position</b>	<b>\$ 137,320,300</b>	<b>\$ 52,835,009</b>	<b>\$ 190,155,309</b>

See Accompanying Notes to Basic Financial Statements



**City of San Leandro**  
**Statement of Activities and Changes in Net Position**  
**For the year ended June 30, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Total</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government:</b>					
<b>Governmental Activities:</b>					
General government	\$ 13,658,584	\$ 8,508,558	\$ -	\$ 873,141	\$ 9,381,699
Public safety	64,971,782	3,828,340	600,840	-	4,429,180
Engineering and transportation	32,933,260	991,464	3,809,279	7,024,592	11,825,335
Recreation and culture	14,756,277	1,501,391	607,242	1,497,150	3,605,783
Community development	10,216,834	3,845,202	1,561,864	-	5,407,066
Interest on long-term debt	1,677,316	-	-	-	-
<b>Total Governmental Activities</b>	<b>138,214,053</b>	<b>18,674,955</b>	<b>6,579,225</b>	<b>9,394,883</b>	<b>34,649,063</b>
<b>Business-type activities:</b>					
Water Pollution Control Plant	12,184,473	12,574,723	-	-	12,574,723
Shoreline	1,786,193	2,012,934	-	73,041	2,085,975
Storm Water Utility	1,412,257	1,056,708	-	-	1,056,708
Environmental Services	1,095,232	724,484	-	296,046	1,020,530
<b>Total business-type Activities</b>	<b>16,478,155</b>	<b>16,368,849</b>	<b>-</b>	<b>369,087</b>	<b>16,737,936</b>
<b>Total primary government</b>	<b>\$ 154,692,208</b>	<b>\$ 35,043,804</b>	<b>\$ 6,579,225</b>	<b>\$ 9,763,970</b>	<b>\$ 51,386,999</b>

**General revenues:**

Taxes:

- Property taxes
- Sales tax
- Franchise fees
- Utility users tax
- Property transfer tax
- 911 communication access tax
- Other taxes

Total Taxes

- Investment earnings
- Miscellaneous
- Gain on sale of assets
- Transfers

**Total general revenues**

**Change in net position**

**Net position - Beginning of year, restated (Note 9E)**

**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
\$ (4,276,885)	\$ -	\$ (4,276,885)
(60,542,602)	-	(60,542,602)
(21,107,925)	-	(21,107,925)
(11,150,494)	-	(11,150,494)
(4,809,768)	-	(4,809,768)
(1,677,316)	-	(1,677,316)
<u>(103,564,990)</u>		<u>(103,564,990)</u>
-	390,250	390,250
-	299,782	299,782
-	(355,549)	(355,549)
-	(74,702)	(74,702)
<u>-</u>	<u>259,781</u>	<u>259,781</u>
<u>(103,564,990)</u>	<u>259,781</u>	<u>(103,305,209)</u>
22,994,212	-	22,994,212
42,990,223	-	42,990,223
5,269,391	-	5,269,391
10,719,315	-	10,719,315
5,176,403	-	5,176,403
3,035,256	-	3,035,256
1,008,115	806,392	1,814,507
91,192,915	806,392	91,999,307
1,691,972	284,219	1,976,191
5,426,862	-	5,426,862
1,020,970	-	1,020,970
187,921	(187,921)	-
<u>99,520,640</u>	<u>902,690</u>	<u>100,423,330</u>
(4,044,350)	1,162,471	(2,881,879)
<u>141,364,650</u>	<u>51,672,538</u>	<u>193,037,188</u>
<u>\$ 137,320,300</u>	<u>\$ 52,835,009</u>	<u>\$ 190,155,309</u>



## **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.

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

**City of San Leandro  
Governmental Funds  
Balance Sheet  
June 30, 2018**

	Major Funds			Total
	General Fund	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	
<b>ASSETS</b>				
Cash and investments (Note 2)	\$ 38,645,975	\$ 22,654,135	\$ 17,227,293	\$ 78,527,403
Cash and investments with fiscal agent (Note 2)	-	460,424	9	460,433
Receivables:				
Property taxes	186,297	-	-	186,297
Accounts	11,826,025	-	3,259,404	15,085,429
Federal, State, and local grants	22,113	-	2,600,783	2,622,896
Interest	128,572	-	34,677	163,249
Special Assessment	59,116	-	17,716	76,832
Loans (Note 3)	2,357,668	-	354,463	2,712,131
Due from other funds (Note 4A)	1,837,252	-	-	1,837,252
Advances to other funds (Note 4B)	6,914,407	-	-	6,914,407
Loan to Successor Agency (Note 4C)	1,995,631	-	-	1,995,631
<b>Total Assets</b>	<b>\$ 63,973,056</b>	<b>\$ 23,114,559</b>	<b>\$ 23,494,345</b>	<b>\$ 110,581,960</b>
<b>LIABILITIES</b>				
<b>Liabilities:</b>				
Accounts payable and accruals	\$ 4,752,403	\$ 91,628	\$ 1,492,264	\$ 6,336,295
Due to other funds (Note 4A)	-	-	1,597,536	1,597,536
Advances from other funds (Note 4B)	3,265,334	-	-	3,265,334
Unearned revenue	2,783,022	-	-	2,783,022
<b>Total Liabilities</b>	<b>10,800,759</b>	<b>91,628</b>	<b>3,089,800</b>	<b>13,982,187</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue - grants receivable	-	-	2,323,444	2,323,444
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>-</b>	<b>2,323,444</b>	<b>2,323,444</b>
<b>Fund Balances: (Note 9)</b>				
Nonspendable	11,267,706	-	-	11,267,706
Restricted	50,000	23,022,931	18,081,101	41,154,032
Assigned	5,301,907	-	-	5,301,907
Unassigned	36,552,684	-	-	36,552,684
<b>Total Fund Balances</b>	<b>53,172,297</b>	<b>23,022,931</b>	<b>18,081,101</b>	<b>94,276,329</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 63,973,056</b>	<b>\$ 23,114,559</b>	<b>\$ 23,494,345</b>	<b>\$ 110,581,960</b>

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, 2018**

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**Total fund balances reported on the governmental funds balance sheet** \$ 94,276,329

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. 205,039,213

**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. 11,790,556

**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 liability, related deferred outflows and inflows of resources	(4,033,728)
Net pension liability, related deferred outflows and inflows of resources	(127,429,137)
Long-term debt	(40,894,560)
Interest payable	(242,658)
Compensated absences	(3,509,159)
Recognition of grants revenue	<u>2,323,444</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 137,320,300

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, 2018**

	Major Fund			Total
	General	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	
<b>REVENUES</b>				
Property and other taxes	\$ 91,065,635	\$ -	\$ 582,877	\$ 91,648,512
Licenses and permits	9,582,916	-	1,143,599	10,726,515
Fines and forfeitures	1,688,351	-	-	1,688,351
Service charges	3,207,368	234,982	348,635	3,790,985
Intergovernmental	1,210,883	-	11,632,219	12,843,102
Use of money and property	1,638,505	629	2,506,767	4,145,901
Interdepartmental charges	1,999,878	-	-	1,999,878
Other	1,195,732	4,331,576	1,611,230	7,138,538
<b>Total Revenues</b>	<b>111,589,268</b>	<b>4,567,187</b>	<b>17,825,327</b>	<b>133,981,782</b>
<b>EXPENDITURES</b>				
Current:				
General Government	11,658,959	-	20,113	11,679,072
Public safety	59,427,666	-	606,697	60,034,363
Engineering and transportation	9,475,575	6,147,340	10,025,858	25,648,773
Recreation and culture	10,534,497	166,989	1,196,835	11,898,321
Community development	5,698,625	1,326,702	1,218,729	8,244,056
Debt service:				
Principal	1,569,330	-	1,637,000	3,206,330
Interest and fees	808,323	-	935,759	1,744,082
<b>Total Expenditures</b>	<b>99,172,975</b>	<b>7,641,031</b>	<b>15,640,991</b>	<b>122,454,997</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>12,416,293</b>	<b>(3,073,844)</b>	<b>2,184,336</b>	<b>11,526,785</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 4D)	-	10,056,989	288,889	10,345,878
Transfers (out) (Note 4D)	(10,205,889)	-	-	(10,205,889)
<b>Total Other Financing Sources (Uses)</b>	<b>(10,205,889)</b>	<b>10,056,989</b>	<b>288,889</b>	<b>139,989</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,210,404</b>	<b>6,983,145</b>	<b>2,473,225</b>	<b>11,666,774</b>
<b>FUND BALANCES</b>				
Beginning of year	50,961,893	16,039,786	15,607,876	82,609,555
End of year	<u>\$ 53,172,297</u>	<u>\$ 23,022,931</u>	<u>\$ 18,081,101</u>	<u>\$ 94,276,329</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, 2018**

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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 \$ 11,666,774

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.

Capital expenditures are therefore added back to fund balance	7,930,476
Loss on disposal of capital assets is deducted from fund balance	(867,050)
Depreciation expense is deducted from the fund balance. The amount excludes the depreciation of \$791,321, which is reported in the Internal Service Funds.	(15,968,046)

**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	(517,222)
Long-term debt	3,206,330
Bond discount	(10,119)
Bond premium	183,741
Interest payable	(38,668)
Compensated absences	172,344
Net pension liabilities, related deferred outflows and inflows of resources	(13,306,047)
Net OPEB liabilities, related deferred outflows and inflows of resources	1,136,479

**ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY**

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

Change in Net Position - All Internal Service Funds	<u>2,366,658</u>
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (4,044,350)</u></u>
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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, 2018**

	Major Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline	Non- Major Enterprise Funds		
<b>ASSETS</b>					
Current Assets:					
Cash and investments (Note 2)	\$ 28,241,643	\$ 2,856,480	\$ 1,473,399	\$ 32,571,522	\$ 14,250,749
Receivables:					
Accounts	1,340,074	484,966	163,479	1,988,519	385
Interest	66,224	6,979	3,165	76,368	30,944
Inventory	-	-	-	-	200,803
Total current assets	<u>29,647,941</u>	<u>3,348,425</u>	<u>1,640,043</u>	<u>34,636,409</u>	<u>14,482,881</u>
Noncurrent assets:					
Advance to other fund (Note 4B)	3,265,334	-	-	3,265,334	-
Capital assets (Note 5)					
Non-Depreciable	5,138,062	3,577,810	-	8,715,872	-
Depreciable	74,650,004	5,778,252	20,463	80,448,719	16,666,113
Less accumulated depreciation	<u>(10,382,421)</u>	<u>(3,545,116)</u>	<u>(651)</u>	<u>(13,928,188)</u>	<u>(11,658,001)</u>
Total capital assets, net	<u>69,405,645</u>	<u>5,810,946</u>	<u>19,812</u>	<u>75,236,403</u>	<u>5,008,112</u>
Total noncurrent assets	<u>72,670,979</u>	<u>5,810,946</u>	<u>19,812</u>	<u>78,501,737</u>	<u>5,008,112</u>
<b>Total Assets</b>	<u>102,318,920</u>	<u>9,159,371</u>	<u>1,659,855</u>	<u>113,138,146</u>	<u>19,490,993</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pension (Note 13)	2,718,894	-	-	2,718,894	-
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	905,379	22,132	26,186	953,697	868,416
Interest payable	-	41,448	-	41,448	-
Due to other funds (Note 4A)	-	-	239,716	239,716	-
Other liabilities	-	-	-	-	66,369
Clams and judgments - due in 1 year (Note 11)	-	-	-	-	1,170,645
Compensated absences - due in 1 year (Note 7)	24,567	6,736	15,907	47,210	15,058
Notes payable - due in 1 year (Note 6)	1,742,522	247,794	-	1,990,316	-
Total current liabilities	<u>2,672,468</u>	<u>318,110</u>	<u>281,809</u>	<u>3,272,387</u>	<u>2,120,488</u>
Non-current Liabilities:					
Deposits payable	3,000	48,595	-	51,595	-
Advances from other funds (Note 4B)	-	6,914,407	-	6,914,407	-
Claims and judgments - due in more than 1 year (Note 11)	-	-	-	-	5,427,699
Compensated absences - due in more than 1 year (Note 7)	248,401	68,109	160,841	477,351	152,250
Net pension liability (Note 13)	13,830,332	-	-	13,830,332	-
Long-term debt - due in more than 1 year (Note 6)	37,616,782	756,998	-	38,373,780	-
Total noncurrent liabilities	<u>51,698,515</u>	<u>7,788,109</u>	<u>160,841</u>	<u>59,647,465</u>	<u>5,579,949</u>
<b>Total liabilities</b>	<u>54,370,983</u>	<u>8,106,219</u>	<u>442,650</u>	<u>62,919,852</u>	<u>7,700,437</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pension (Note 13)	102,179	-	-	102,179	-
<b>NET POSITION (Note 9)</b>					
Net investment in capital asset	30,046,341	4,806,154	19,812	34,872,307	5,008,112
Unrestricted	20,518,311	(3,753,002)	1,197,393	17,962,702	6,782,444
<b>Total Net Position</b>	<u>\$ 50,564,652</u>	<u>\$ 1,053,152</u>	<u>\$ 1,217,205</u>	<u>\$ 52,835,009</u>	<u>\$ 11,790,556</u>

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, 2018**

	Major Enterprise Funds		Non- Major Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline			
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 11,890,380	\$ 424,465	\$ 1,414,292	\$ 13,729,137	\$ 16,750,712
Licenses and permits	104,523	18,664	354,339	477,526	-
Rents and concessions	-	1,569,585	-	1,569,585	-
Other operating revenues	579,820	220	12,561	592,601	284,568
<b>Total Operating Revenues</b>	<b>12,574,723</b>	<b>2,012,934</b>	<b>1,781,192</b>	<b>16,368,849</b>	<b>17,035,280</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	5,025,363	569,950	1,412,865	7,008,178	3,475,039
Contractual and other services	1,540,240	332,620	340,304	2,213,164	7,693,977
Materials and supplies	906,224	25,205	66,891	998,320	855,158
Depreciation	1,487,507	113,889	86	1,601,482	867,515
Other operating costs	2,157,640	331,416	687,343	3,176,399	1,925,687
<b>Total Operating Expenses</b>	<b>11,116,974</b>	<b>1,373,080</b>	<b>2,507,489</b>	<b>14,997,543</b>	<b>14,817,376</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,457,749</b>	<b>639,854</b>	<b>(726,297)</b>	<b>1,371,306</b>	<b>2,217,904</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Property and other taxes	-	806,392	-	806,392	-
Intergovernmental	-	73,041	296,046	369,087	-
Investment income	260,364	16,845	7,010	284,219	105,434
Interest expense	(1,067,499)	(413,113)	-	(1,480,612)	(4,612)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(807,135)</b>	<b>483,165</b>	<b>303,056</b>	<b>(20,914)</b>	<b>100,822</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>650,614</b>	<b>1,123,019</b>	<b>(423,241)</b>	<b>1,350,392</b>	<b>2,318,726</b>
<b>TRANSFERS:</b>					
Transfers in (Note 4D)	-	-	132,782	132,782	47,932
Transfers out (Note 4D)	(153,714)	(166,989)	-	(320,703)	-
<b>Total operating transfers</b>	<b>(153,714)</b>	<b>(166,989)</b>	<b>132,782</b>	<b>(187,921)</b>	<b>47,932</b>
<b>Change in net position</b>	<b>496,900</b>	<b>956,030</b>	<b>(290,459)</b>	<b>1,162,471</b>	<b>2,366,658</b>
<b>NET POSITION:</b>					
Net Position-Beginning of year	50,067,752	97,122	1,507,664	51,672,538	9,423,898
Net Position-Ending of year	<u>\$ 50,564,652</u>	<u>\$ 1,053,152</u>	<u>\$ 1,217,205</u>	<u>\$ 52,835,009</u>	<u>\$ 11,790,556</u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	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	\$ 12,763,144	\$ 1,875,724	\$ 1,689,232	\$ 16,328,100	\$ 583,011
Cash received from other funds	-	-	239,716	239,716	-
Receipts from interfund charges	-	-	-	-	16,786,172
Cash payments to suppliers and service providers	(5,917,354)	(690,773)	(1,124,622)	(7,732,749)	(9,448,861)
Cash payments to employees for services	(5,134,722)	(603,610)	(1,372,058)	(7,110,390)	(3,387,252)
<b>Net cash provided (used) by operating activities</b>	<b>1,711,068</b>	<b>581,341</b>	<b>(567,732)</b>	<b>1,724,677</b>	<b>4,533,070</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Property and other taxes received	-	806,392	-	806,392	-
Intergovernmental revenue received	-	73,041	296,046	369,087	-
Interfund loan	490,109	(191,985)	-	298,124	-
Transfers in from other funds	-	-	132,782	132,782	47,932
Transfer out to other funds	(153,714)	(166,989)	-	(320,703)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>336,395</b>	<b>520,459</b>	<b>428,828</b>	<b>1,285,682</b>	<b>47,932</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal paid on capital debt	(1,698,365)	(235,120)	-	(1,933,485)	(240,353)
Acquisition of capital assets	(3,484,193)	2	-	(3,484,191)	(2,184,461)
Interest payments on bonds and notes payable	(1,067,499)	(422,894)	-	(1,490,393)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(6,250,057)</b>	<b>(658,012)</b>	<b>-</b>	<b>(6,908,069)</b>	<b>(2,424,814)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Change in market values of investments	(137,216)	(14,296)	(6,549)	(158,061)	(63,847)
Interest income (expense)	372,953	27,396	12,221	412,570	151,277
<b>Net cash provided (used) by investing activities</b>	<b>235,737</b>	<b>13,100</b>	<b>5,672</b>	<b>254,509</b>	<b>87,430</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,966,857)</b>	<b>456,888</b>	<b>(133,232)</b>	<b>(3,643,201)</b>	<b>2,243,618</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	32,208,500	2,399,592	1,606,631	36,214,723	12,007,131
Cash and investments at end of year	<u>\$ 28,241,643</u>	<u>\$ 2,856,480</u>	<u>\$ 1,473,399</u>	<u>\$ 32,571,522</u>	<u>\$ 14,250,749</u>
<b>RECONCILIATION OF OPERATING INCOME/ (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 1,457,749	\$ 639,854	\$ (726,297)	\$ 1,371,306	\$ 2,217,904
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,487,507	113,889	86	1,601,482	867,515
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	188,421	(129,219)	(91,960)	(32,758)	298,443
(Increase) decrease in inventories	-	-	-	-	54,465
(Decrease) increase in accounts payable	594,042	(1,532)	(30,084)	562,426	457,681
(Decrease) increase in other liabilities	-	-	-	-	66,369
(Decrease) increase due to other funds	-	-	239,716	239,716	-
(Decrease) increase in deposits payable	-	(7,991)	-	(7,991)	-
(Decrease) increase claims and judgments payable	(2,138,000)	-	-	(2,138,000)	549,275
(Decrease) increase in compensated absences	(109,359)	(33,660)	40,807	(102,212)	21,418
(Decrease) increase in deferred outflow	53,536	-	-	53,536	-
(Decrease) increase in deferred inflow	(82,930)	-	-	(82,930)	-
(Decrease) increase in net pension liability	260,102	-	-	260,102	-
<b>Total adjustments</b>	<b>253,319</b>	<b>(58,513)</b>	<b>158,565</b>	<b>353,371</b>	<b>2,315,166</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,711,068</b>	<b>\$ 581,341</b>	<b>\$ (567,732)</b>	<b>\$ 1,724,677</b>	<b>\$ 4,533,070</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.

*OPEB Trust Fund* is used to account for assets held in an irrevocable trust and related activities. This trust is administered by Public Agency Retirement Services (PARS) for the purpose of funding postemployment health care benefits provided by the City.



**City of San Leandro**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Agency Funds	Private-Purpose Trust Fund	OPEB Trust Fund
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 3,084,904	\$ 1,904,958	\$ 5,122,866
Investments (Note 2):			
Mutual funds	-	-	9,753,531
Cash and investments with fiscal agents (Note 2)	452,237	205,153	-
Accounts receivable	1,489	-	-
Interest receivable	860	8,647	-
Total Current Assets	<u>3,539,490</u>	<u>2,118,758</u>	<u>14,876,397</u>
Noncurrent assets:			
Capital assets (Note 16C):			
Land	-	706,376	-
Depreciable assets, net	-	425,762	-
Total non-current assets	<u>-</u>	<u>1,132,138</u>	<u>-</u>
<b>Total assets</b>	<u><b>\$ 3,539,490</b></u>	<u><b>\$ 3,250,896</b></u>	<u><b>\$ 14,876,397</b></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 43,755	\$ -	\$ -
Deposits payable	2,004,340	-	-
Interest payable	-	312,309	-
Long-term debt - due in less than one year (Note 16D)	-	684,514	-
Due to bondholders	1,491,395	-	-
Total current liabilities	<u>\$ 3,539,490</u>	<u>996,823</u>	<u>-</u>
Noncurrent Liabilities:			
Loan from the City (Note 16B)		1,995,631	-
Long-term debt - due in more than one year (Note 16D)		35,993,529	-
Total non current liabilities		<u>37,989,160</u>	<u>-</u>
<b>Total liabilities</b>		<u><b>38,985,983</b></u>	<u><b>-</b></u>
<b>NET POSITION</b>			
Restricted for OPEB			<u>\$ 14,876,397</u>
Held in trust for private purposes		<u>\$ (35,735,087)</u>	

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2018**

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	OPEB Trust Fund
Additions:		
Property taxes	\$ 4,461,568	\$ -
Use of money and property	60,861	-
Investment earnings:		
Investment earnings	-	528,900
Contributions to OPEB Trust-Employer	-	750,000
Other revenue	490,965	-
Total additions	<u>5,013,394</u>	<u>1,278,900</u>
Deductions:		
Community development	5,516,430	-
Depreciation	14,237	-
Debt service interest and fiscal agent fees	2,195,939	67,811
Total deductions	<u>7,726,606</u>	<u>67,811</u>
Change in net position	(2,713,212)	1,211,089
NET POSITION HELD IN TRUST		
Net position - beginning	<u>(33,021,875)</u>	<u>13,665,308</u>
Net position - end	<u>\$ (35,735,087)</u>	<u>\$ 14,876,397</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, 2018**

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**City of San Leandro**  
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**For the year ended June 30, 2018 (Continued)**

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**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**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 component units below 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.

**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.

***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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

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.

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.

*Capital Improvement Projects Capital Projects Fund* accounts monies for major capital improvements projects not provided for in the other capital projects fund.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

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 Building Maintenance, Information Management Systems, 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.

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, an OPEB Trust Fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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 well 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.



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

***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.

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.

***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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

***H. Capital Assets***

Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. 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

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.

***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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

***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. Deferred Inflows/Outflows 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.

***M. 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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

***N. Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***O. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements which became effective during the year ended June 30, 2018.

GASB Statement No. 75 - In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in statement 75 are effective for fiscal years beginning after June 15, 2017. The City implemented this statement in current year. See additional information in Notes 9E and 14.

GASB Statement No. 81 - In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016 and should be applied retroactively. This statement had no impact on the City's financial statements.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

GASB Statement No. 85 - In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City implemented this statement in current year. See additional information in Note 14.

GASB Statement No. 86 - In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. This statement had no impact on the City's financial statements.

**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 \$4,012,260 at June 30, 2018. Bank balances before reconciling items were \$4,901,047, 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, 2018**

**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, 2018, are classified as follows:

Statement of net position:	
Cash and investments	\$ 125,349,674
Cash and investments held by trustee	460,433
Fiduciary Funds:	
Cash and investments	19,866,259
Cash and investments with fiscal agents	<u>657,390</u>
Total cash and investments	<u>\$ 146,333,756</u>

Cash and investments as of June 30, 2018, are classified as follows:	
Deposits with financial institutions	\$ 4,097,224
Investments	<u>142,236,532</u>
Total cash and investments	<u>\$ 146,333,756</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	\$ 18,225,360	\$ 6,892,790	\$ 7,079,175	\$ 4,253,395
Money Market Fund	14,930,759	14,930,759		
U.S. Treasury Notes	23,835,115	11,008,235	2,078,446	10,748,434
Local Agency Investment Fund (LAIF)	61,320,822	61,320,822		
Medium-Term Notes	14,517,363	9,048,578	689,290	4,779,495
Asset Backed Securities	3,061,187	-	-	3,061,187
Supranationals	5,227,927	896,976	987,245	3,343,706
Held by fiscal agent:				
U.S. Treasury Money Market Funds	1,117,999	1,117,999	-	-
Total	<u>\$ 142,236,532</u>	<u>\$ 105,216,159</u>	<u>\$ 10,834,156</u>	<u>\$ 26,186,217</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**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	\$65 million per account
Passbook Accounts	5 years	None
City Issued Securities	N/A	None
Supranational Securities	5 years	30%
Asset Backed Securities	5 years	20%
Mortgage Backed/Pass-Through Securities	5 years	20%
Collateralized Mortgage Obligations	5 years	20%
Other investment pools	N/A	None

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

*Investments in Local Agency Investment Fund*

The City invests in the Local Agency Investment Fund (LAIF), a State of California external investment pool.

The fair value is calculated by multiplying the account balance with LAIF times a fair value factor of 0.998126869 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, 2018, 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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

- 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.

*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:

US Government Agency Securities	Amount Invested	Percentage of Investments
Federal agency securities:		
Federal Home Loan Bank (FHLB)	\$ 7,729,460	6.14%
Total	\$ 7,729,460	6.14%

*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.

Investment Type	Fair Value	Minimum				
		Legal Rating	Exempt From Disclosure	Not Rated	AAA	AA+
Federal Agency Securities	\$ 18,225,360	N/A	\$ -	\$ -	\$ -	\$18,225,360
Money Market Fund	14,930,759	N/A			14,930,759	
U.S. Treasury Notes	23,835,115	N/A	23,835,115			
Local Agency Investment Fund	61,320,822	N/A		61,320,822		
Medium-Term Notes	14,517,363	A			639,750	946,202
Asset Backed Securities	3,061,187	AAA			3,061,187	
Supranationals	5,227,927	AA			5,227,927	
Held by fiscal agent:						
U.S. Treasury Money Market Funds	1,117,999	A			1,117,999	
Total	<u>\$ 142,236,532</u>		<u>\$ 23,835,115</u>	<u>\$ 61,320,822</u>	<u>\$ 24,977,622</u>	<u>\$19,171,562</u>
		AA	AA-	A+	A	A-
Medium-Term Notes		<u>\$ 516,590</u>	<u>\$ 3,546,282</u>	<u>\$ 3,714,315</u>	<u>\$ 4,394,732</u>	<u>\$ 759,492</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

*Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Investments By Fair Value Level:</b>			
Federal Agency Securities	\$ -	\$ 18,225,360	\$ 18,225,360
U.S. Treasury Notes	23,835,115		23,835,115
Medium-Term Notes		14,517,363	14,517,363
Asset Backed Securities		3,061,187	3,061,187
Supranationals		5,227,927	5,227,927
Total Investments	<u>\$ 23,835,115</u>	<u>\$ 41,031,837</u>	64,866,952
<b>Investments Exempt from Fair Value Hierarchy:</b>			
Local Agency Investment Fund (LAIF)			61,320,822
<b>Investments Measured at Amortized Cost:</b>			
Held by fiscal agent:			
U.S. Treasury Money Market Funds			1,117,999
Money Market Fund			14,930,759
Total			<u>\$ 142,236,532</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy, are valued using quoted prices in active markets. Federal agency securities, medium term notes, and supranationals, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The California Local Agency Investment Fund (LAIF) is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as fair value divided by the amortization cost of the investment pool and is exempt from the Fair Value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 3 – LOANS RECEIVABLE**

At June 30, 2018, the City had loans receivable in the following funds:

<b>Governmental Funds:</b>	
General Fund	\$ 2,357,668
Non Major Special Revenue Funds:	
Affordable Housing Asset Special Revenue Fund	7,344,052
Community Development Block Grant (CDBG)	306,395
HOME Fund	3,335,000
Housing In-Lieu	637,000
Less allowance for uncollectible loans	<u>(11,267,984)</u>
Total net loans receivable	<u>\$ 2,712,131</u>

At June 30, 2018, the City was owed, in the General Fund, \$858,072 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, 2018, the City was owed, in the General Fund, \$831,564 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, 2018, the City was owed, in the General Fund, \$12,050 for loans made by the City to employees as part of the Employee Computer Purchase Loan Program. The loans are to assist regular full-time employees after completion of the one-year probationary period, "permanent" part-time employees as defined in the relevant MOU and City Council Members with the purchase of a home computer or laptop. The loans range from \$500 to \$3,000, are repaid over a 1 or 2 year period, and are interest free. Payments on the loans are handled as standard payroll deduction.

At June 30, 2018, the City was owed, in the General Fund, \$260,139 for a loan made by the City to San Leandro Improvement Agency. The loan is to fund Downtown San Leandro capital improvements. The loan is evidenced by a promissory note with a term of 10 years. The interest rate is 3% per annum.

At June 30, 2018, the City was owed, in the General Fund, \$395,843 for a loan made by the City to the Historic BAL Theatre. The loan is to promote the performing arts, music, and City's culture, which is vital to the public health and economic vitality of the City. The loan is evidenced by a promissory note with a term of 30 years. The interest rate is 3% per annum.

During fiscal year 2018, the City was owed, in its Low/Moderate Asset Housing Fund, \$7,344,052 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. The total loan receivable amount was reduced by an allowance for uncollectible loans in the amount of \$6,989,589 leaving a balance of \$354,463 as of June 30, 2018.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

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

At June 30, 2018, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$306,395 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, 2018, the City was owed, in its HOME Special Revenue Fund, \$3,335,000 which includes (1) two housing assistance loans made by the City to Citizens' Housing Corporation; (2) a loan made to Estabrook Senior Housing for construction of senior housing facility; (3) a loan made to Hello Housing for the rehabilitation of a single family home; (4) a housing assistance loan made to Allied Housing. The terms of repayment vary. All of the loans receivable were reduced by allowance for uncollectible loans.

At June 30, 2018, 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. The entire loan receivable was reduced by allowance for uncollectible loans.

**NOTE 4 – INTERFUND TRANSACTIONS**

**A. Interfund Receivables and Payables**

At June 30, 2018, 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	\$ 1,597,536
	Non-Major Enterprise Funds	<u>239,716</u>
	<b>Total</b>	<b><u>\$ 1,837,252</u></b>

The City has recorded due to/due from all funds requiring cash at the end of June 30, 2018 to the funds that had deficit year-end balances which will be repaid back to the General Fund during the 2018-19 fiscal year.

**B. Long-Term Advances**

Long-term advances to be repaid out of future earnings or charges at June 30, 2018, consisted of:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Shoreline Enterprise Fund	\$ 6,914,407
Water Pollution Control Plant Enterprise Fund	General Fund	<u>3,265,334</u>
	<b>Total</b>	<b><u>\$ 10,179,741</u></b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 4 – 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, 2018, was \$3,078,646 and \$3,835,761 for the Marina and the Golf Course, respectively, for a total of \$6,914,407.

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. As of June 30, 2018, the outstanding amount was \$3,265,334.

**C. Loan to 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, 2018, was \$1,995,631.

**D. Transfers**

Transfers during the fiscal year ended June 30, 2018, comprised the following:

Transfers In	Transfers Out:			Total
	General Fund	Water Pollution Control Plan Enterprise Fund	Shoreline Enterprise Fund	
Capital Improvement Capital Projects Fund	\$ 9,890,000	\$ -	\$ 166,989	\$ 10,056,989
Non-major Governmental Funds	288,889			288,889
Non-major Enterprise Funds		132,782		132,782
Internal Service Funds	27,000	20,932		47,932
<b>Total</b>	<b>\$ 10,205,889</b>	<b>\$ 153,714</b>	<b>\$ 166,989</b>	<b>\$ 10,526,592</b>

The City Council authorized transfers from the General Fund to various funds for fiscal year 2017-2018 to the following accounts and projects:

Capital Improvement Fund	\$ 1,015,000	Street Improvement Projects
Capital Improvement Fund	600,000	Building Improvement Projects
Capital Improvement Fund	2,900,000	Pool Improvement Projects
Capital Improvement Fund	4,700,000	Marina Improvement Projects
Capital Improvement Fund	675,000	Parks Improvement Projects
Vehicle Replacement Fund	27,000	New Vehicle Purchase
Special Gas Tax Fund	288,889	Street Maintenance
	<u>\$ 10,205,889</u>	

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 4 – INTERFUND TRANSACTIONS (Continued)**

*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 5 – CAPITAL ASSETS**

*A. Government-Wide Financial Statements*

At June 30, 2018, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 16,550,305	\$ 5,234,310	\$ 21,784,615
Construction in Progress	8,592,893	3,481,562	12,074,455
<b>Total non-depreciable assets</b>	<b>25,143,198</b>	<b>8,715,872</b>	<b>33,859,070</b>
Depreciable assets:			
Buildings	82,705,552	67,353,755	150,059,307
Improvements	7,734,728	113,416	7,848,144
Machinery and Equipment	11,255,701	6,214,006	17,469,707
Licensed Vehicles	13,546,988	124,175	13,671,163
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	6,643,367	6,663,392
<b>Total depreciable assets</b>	<b>495,884,577</b>	<b>80,448,719</b>	<b>576,333,296</b>
Less accumulated depreciation	(310,980,450)	(13,928,188)	(324,908,638)
<b>Total depreciable assets, net</b>	<b>184,904,127</b>	<b>66,520,531</b>	<b>251,424,658</b>
<b>Total capital assets</b>	<b>\$ 210,047,325</b>	<b>\$ 75,236,403</b>	<b>\$ 285,283,728</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 5 – CAPITAL ASSETS (Continued)**

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

	Balance July 1, 2017	Additions and Transfers	Deletions and Transfers	Balance June 30, 2018
<b>Non-Depreciable Assets:</b>				
Land	\$ 16,648,489	\$ 497,059	\$ (595,243)	\$ 16,550,305
Construction in progress	1,315,680	7,277,213		8,592,893
<b>Total Non-Depreciable Assets</b>	<b>17,964,169</b>	<b>7,774,272</b>	<b>(595,243)</b>	<b>25,143,198</b>
<b>Depreciable Assets:</b>				
Buildings	82,949,468	116,284	(360,200)	82,705,552
Improvements	7,734,728			7,734,728
Machinery and equipment	10,228,199	1,031,648	(4,146)	11,255,701
Licensed vehicles	13,111,909	1,214,940	(779,861)	13,546,988
Infrastructure	380,641,608			380,641,608
<b>Total Depreciable Assets</b>	<b>494,665,912</b>	<b>2,362,872</b>	<b>(1,144,207)</b>	<b>495,884,577</b>
<b>Accumulated Depreciation:</b>				
Buildings	(25,233,346)	(1,597,460)	88,392	(26,742,414)
Improvements	(4,794,243)	(202,792)		(4,997,035)
Machinery and equipment	(8,312,405)	(501,212)	4,038	(8,809,579)
Licensed vehicles	(8,588,161)	(903,661)	757,763	(8,734,059)
Infrastructure	(248,066,927)	(13,630,436)		(261,697,363)
<b>Total Accumulated Depreciation</b>	<b>(294,995,082)</b>	<b>(16,835,561)</b>	<b>850,193</b>	<b>(310,980,450)</b>
<b>Depreciable Assets, Net</b>	<b>199,670,830</b>	<b>(14,472,689)</b>	<b>(294,014)</b>	<b>184,904,127</b>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ 217,634,999</b>	<b>\$ (6,698,417)</b>	<b>\$ (889,257)</b>	<b>\$ 210,047,325</b>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2018, are as follows:

General Government	\$ 319,361
Public Safety	479,041
Engineering and Transportation	13,253,478
Recreation and Human services	1,596,805
Community Development	319,361
Subtotal	15,968,046
Capital assets held by the City's Internal Service Funds	867,515
<b>Total Depreciation Expense</b>	<b>\$ 16,835,561</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 5 – CAPITAL ASSETS (Continued)**

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Non-Depreciable Assets:</b>			
Land	\$ 5,234,310	\$	\$ 5,234,310
Construction in progress		3,481,562	3,481,562
<b>Total Non-Depreciable Assets</b>	<u>5,234,310</u>	<u>3,481,562</u>	<u>8,715,872</u>
<b>Depreciable Assets:</b>			
Buildings	67,353,755		67,353,755
Improvements	113,416		113,416
Machinery and equipment	6,214,006		6,214,006
Licensed vehicles	124,175		124,175
Infrastructure	6,640,738	2,629	6,643,367
<b>Total Depreciable Assets</b>	<u>80,446,090</u>	<u>2,629</u>	<u>80,448,719</u>
<b>Accumulated Depreciation:</b>			
Buildings	(7,616,454)	(1,313,799)	(8,930,253)
Improvements	(113,416)		(113,416)
Machinery and equipment	(3,310,646)	(155,306)	(3,465,952)
Licensed vehicles	(88,397)	(1,895)	(90,292)
Infrastructure	(1,197,793)	(130,482)	(1,328,275)
<b>Total Accumulated Depreciation</b>	<u>(12,326,706)</u>	<u>(1,601,482)</u>	<u>(13,928,188)</u>
<b>Total Business-Type Activities</b>			
<b>Capital Assets, Net</b>	<u>\$ 73,353,694</u>	<u>\$ 1,882,709</u>	<u>\$ 75,236,403</u>

**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, 2018**

**NOTE 6 – LONG-TERM DEBT**

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

Summary of changes in governmental activities long-term debt for the year ended June 30, 2018, follows:

<i>Governmental Activity Debt:</i>	Balance June 30, 2017	Retirements	Balance June 30, 2018	Due within one year	Due in more than one year
<b>Pension Obligation Bonds:</b>					
2012 Taxable Pension Obligation Bonds	\$ 13,040,000	\$ (1,415,000)	\$ 11,625,000	\$ 1,540,000	\$ 10,085,000
<b>Lease Revenue Bonds:</b>					
2013 Refunding Lease Revenue Bonds					
City portion	7,876,000	(601,000)	7,275,000	621,000	6,654,000
2016 Refunding Lease Revenue Bonds	14,125,000	(905,000)	13,220,000	875,000	12,345,000
Total Governmental Activity Debt	<u>35,041,000</u>	<u>(2,921,000)</u>	<u>32,120,000</u>	<u>3,036,000</u>	<u>29,084,000</u>
<b>Capital Leases:</b>					
2015 PNC Lease	240,353	(240,353)			
2016 Climatec Equipment Lease	5,409,045	(154,330)	5,254,715	313,538	4,941,177
Total Capital Leases	<u>5,649,398</u>	<u>(394,683)</u>	<u>5,254,715</u>	<u>313,538</u>	<u>4,941,177</u>
<b>Other Debt</b>					
HUD 108 Loan - Guarantee Loan - Senior Center	1,714,000	(131,000)	1,583,000	131,000	1,452,000
Total Other Debt	<u>1,714,000</u>	<u>(131,000)</u>	<u>1,583,000</u>	<u>131,000</u>	<u>1,452,000</u>
Total Government Activity Debt	<u>\$ 42,404,398</u>	<u>\$ (3,446,683)</u>	<u>\$ 38,957,715</u>	<u>\$ 3,480,538</u>	<u>\$ 35,477,177</u>
Plus unamortized:					
Discount (2012 POB)	\$ (69,563)	\$ 10,119	\$ (59,444)	\$ (10,119)	\$ (49,325)
Premium (2013 RLRB)	213,791	(19,888)	193,903	19,888	174,015
Premium (2016 RLRB)	1,966,239	(163,853)	1,802,386	163,853	1,638,533
Total General Long-term Obligations	<u>\$ 44,514,865</u>	<u>\$ (3,620,305)</u>	<u>\$ 40,894,560</u>	<u>\$ 3,654,160</u>	<u>\$ 37,240,400</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 6 – 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 (7.65%). 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, 2018, future debt service requirements for the City's portion of the 2012 Taxable Pension Obligations Bonds follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,540,000	\$ 585,644	\$ 2,125,644
2020	1,680,000	519,116	2,199,116
2021	1,835,000	441,164	2,276,164
2022	2,000,000	350,516	2,350,516
2023	2,185,000	247,716	2,432,716
2024	2,385,000	132,127	2,517,127
	<u>\$ 11,625,000</u>	<u>\$ 2,276,283</u>	<u>\$ 13,901,283</u>

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 2.00% to 5.00% and are payable semiannually on each June 1 and December 1. Principal payments are payable annually on December 1.

At June 30, 2018, future debt service requirements for the City's portion of the 2013 RLRB follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 621,000	\$ 253,811	\$ 874,811
2020	641,000	234,881	875,881
2021	661,000	215,351	876,351
2022	681,000	191,816	872,816
2023	710,000	163,996	873,996
2024 - 2028	3,961,000	412,792	4,373,792
	<u>\$ 7,275,000</u>	<u>\$ 1,472,647</u>	<u>\$ 8,747,647</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 6 – LONG-TERM DEBT (Continued)**

2016 Refunding Lease Revenue Bonds

In fiscal year 2016-17, the San Leandro Public Financing Authority issued \$14,125,000 principal amount of 2016 Refunding Lease Revenue Bonds (2016 RLRB). The purpose of the 2016 RLRBs was to refinance the City's 2007 COPs. The 2016 RLRBs bear interest rates ranging from 2.0% to 5.0% and are payable semiannually on each May 1 and November 1. Principal payments are payable annually on November 1.

At June 30, 2018, future debt service requirements for the 2016 RLRBs follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 875,000	\$ 569,975	\$ 1,444,975
2020	895,000	538,950	1,433,950
2021	930,000	502,450	1,432,450
2022	970,000	459,600	1,429,600
2023	1,015,000	409,975	1,424,975
2024 - 2028	5,840,000	1,296,825	7,136,825
2029 - 2030	2,695,000	136,375	2,831,375
	<u>\$ 13,220,000</u>	<u>\$ 3,914,150</u>	<u>\$ 17,134,150</u>

2015 PNC Equipment Lease

On September 18, 2015, the City entered into a Lease/Purchase Agreement with PNC Equipment Finance, LLC to Lease/Purchase Equipment in the amount of \$720,000. The Equipment was for eleven Police SUV Ford Explorers, two Police Interceptors and two Police Ford Fusions. The interest is 1.91% payable over 3 years.

During fiscal year 2018, the City repaid the final installment of the 2015 PNC Equipment Lease.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 6 – LONG-TERM DEBT (Continued)**

2016 Bank of America Equipment Lease

On July 21, 2016, the City entered into a Lease/Purchase Agreement with Bank of America, LLC to Lease/Purchase Equipment in the amount of \$5,409,045. The Equipment was for the installation of energy efficiency improvements on various City-owned facilities. The interest is 2.10% payable over 16 years.

At June 30, 2018, future debt service requirements for the 2016 equipment lease follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ 313,538	\$ 108,712	\$ 422,250
2020	320,156	102,092	422,248
2021	326,915	95,334	422,249
2022	333,816	88,433	422,249
2023	340,864	81,389	422,253
2024 - 2028	1,815,340	295,907	2,111,247
2029 - 2033	1,804,086	96,031	1,900,117
	<u>\$ 5,254,715</u>	<u>\$ 867,898</u>	<u>\$ 6,122,613</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, 2018 future debt service requirements for the HUD 108 Guarantee loan follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ 131,000	\$ 59,635	\$ 190,635
2020	132,000	55,414	187,414
2021	132,000	50,972	182,972
2022	132,000	46,246	178,246
2023	132,000	41,256	173,256
2024 - 2028	660,000	126,892	786,892
2029 - 2030	264,000	11,604	275,604
	<u>\$ 1,583,000</u>	<u>\$ 392,019</u>	<u>\$ 1,975,019</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 6 – 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, 2018:

	Balance June 30, 2017	Retirements	Balance June 30, 2018	Due Within one year	Due in more than one year
State Water Resources					
Control Board	\$ 41,057,669	\$ (1,698,365)	\$ 39,359,304	\$ 1,742,522	\$ 37,616,782
Marina Note	1,239,912	(235,120)	1,004,792	247,794	756,998
<b>Total</b>	<b>\$ 42,297,581</b>	<b>\$ (1,933,485)</b>	<b>\$ 40,364,096</b>	<b>\$ 1,990,316</b>	<b>\$ 38,373,780</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. The project was completed in fiscal year 2016-17.

Pursuant to the agreement, the City is expected to obtain net revenues of the Water system to be equal to at least 1.20 times the total annual debt service in such fiscal year. In fiscal year 2017-18, net revenues amounted to \$2,138,121 which represented coverage of 77% under the \$2,765,864 in debt service. Future debt service is expected to average \$3 million per year through fiscal year 2035-36 for a total of \$52.6 million. The City is preparing a report to propose an increase in sewer rates to meet the coverage expectation. Cash and investments are sufficient to meet any debt service requirement, until rates increased.

At June 30, 2018, future debt service requirements for the State Water Resources Control Board loan are as follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ 1,742,522	\$ 1,023,342	\$ 2,765,864
2020	1,787,828	978,036	2,765,864
2021	1,834,312	931,553	2,765,865
2022	1,882,004	883,861	2,765,865
2023	1,930,936	834,929	2,765,865
2024 - 2028	10,434,365	3,394,958	13,829,323
2029 - 2033	11,863,227	1,966,095	13,829,322
2034 - 2036	7,884,110	413,481	8,297,591
	<u>\$ 39,359,304</u>	<u>\$ 10,426,255</u>	<u>\$ 49,785,559</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 6 – LONG-TERM DEBT (Continued)**

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, 2018, future debt service requirements for the Marina Cal Boating Notes Payable are as follows:

For The Year Ending	Principal	Interest	Total
2019	\$ 247,794	\$ 45,216	\$ 293,010
2020	258,944	34,065	293,009
2021	270,587	22,413	293,000
2022	93,273	10,236	103,509
2023	45,334	6,039	51,373
2024 - 2027	88,860	10,217	99,077
	<u>\$ 1,004,792</u>	<u>\$ 128,186</u>	<u>\$ 1,132,978</u>

**C. Debt Covenants and Restrictions**

For fiscal year 2017-18, 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 7 – 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, 2018, follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Due within one year	Due in more than one year
Governmental Activities	\$ 3,827,393	\$ 792,239	\$ (943,165)	\$ 3,676,467	\$ 639,193	\$ 3,037,274
Business-type Activities	626,773	40,806	(143,018)	524,561	47,210	477,351
<b>Total</b>	<u>\$ 4,454,166</u>	<u>\$ 833,045</u>	<u>\$ (1,086,183)</u>	<u>\$ 4,201,028</u>	<u>\$ 686,403</u>	<u>\$ 3,514,625</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 8 – 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, 2018, unearned revenue in the Government-Wide Financial Statements was \$2,783,022.

**NOTE 9 – 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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*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, 2018, the City does not have committed fund balance.

*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, 2018, the General Fund had outstanding encumbrances of \$1,223,907.

**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, 2018, the following are reported within the unassigned fund balance of the General Fund:

Compensated Absences	\$	624,135
Major Emergencies		5,000,000
Economic Uncertainty		2,828,721
Other		28,099,828
Total	\$	36,552,684

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City’s Fund Balances, as of June 30, 2018, are below:

	General Fund	Capital Improvement Capital Project Fund	Non-Major Governmental Funds	Total
<b>Nonspendables:</b>				
Advances to Other Funds	\$ 6,914,407	\$	\$	\$ 6,914,407
Loans receivable	2,357,668			2,357,668
Loan to Successor Agency	1,995,631			1,995,631
<b>Total Nonspendable Fund Balances</b>	<b>11,267,706</b>			<b>11,267,706</b>
<b>Restricted for:</b>				
Internship	50,000			50,000
<b>Capital Projects</b>				
Capital Improvement Projects		23,022,931		23,022,931
Subtotal	50,000	23,022,931		23,072,931
<b>Non-Major Governmental Funds</b>				
Debt Service			121	121
San Leandro Public Financing Authority			750,913	750,913
GHAD			14,148	14,148
Affordable Housing			1,977,217	1,977,217
Street/ Traffic Improvements			1,787,700	1,787,700
Park Development Fees			332,699	332,699
Underground Utility			2,593,656	2,593,656
Parking			271,222	271,222
Special Gas Tax			1,417,091	1,417,091
Cherry wood Maintenance			393,897	393,897
Measure B - Paratransit			362,913	362,913
Asset Seizure			1,070,501	1,070,501
Heron Bay			961,293	961,293
Proposition 1B - Local Streets & Roads			13,139	13,139
Special Grants			206,214	206,214
Measure B			2,430,665	2,430,665
Measure F			775,695	775,695
Measure BB			718,128	718,128
CDBG			377,050	377,050
HOME			497,795	497,795
Housing In- Lieu			240,548	240,548
Business Improvement District			125,172	125,172
Public Education and Government			763,324	763,324
Subtotal			18,081,101	18,081,101
<b>Total Restricted Fund Balances</b>	<b>50,000</b>	<b>23,022,931</b>	<b>18,081,101</b>	<b>41,154,032</b>
<b>Assigned to:</b>				
Encumbrances - departmental projects	1,223,907			1,223,907
ACFD OPEB	4,078,000			4,078,000
<b>Total Assigned Fund Balances</b>	<b>5,301,907</b>			<b>5,301,907</b>
<b>Unassigned:</b>				
General fund - Compensated Absences	624,135			624,135
General fund - Major Emergencies	5,000,000			5,000,000
General fund - Economic Uncertainty	2,828,721			2,828,721
General fund - Other	28,099,828			28,099,828
<b>Total Unassigned Fund Balances</b>	<b>36,552,684</b>			<b>36,552,684</b>
<b>Total Fund Balances</b>	<b>\$ 53,172,297</b>	<b>\$ 23,022,931</b>	<b>\$ 18,081,101</b>	<b>\$ 94,276,329</b>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 9 – NET POSITION AND FUND BALANCES (Continued)**

*E. Net Position Restatement*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with postemployment benefits other than pensions by requiring recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense.

The implementation of the Statement required the City to make a prior period adjustment. As a result, the beginning net position of the Governmental Activities was restated and reduced by \$13,294,858.

**NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*A. Fund Deficits*

At June 30, 2018, the Storm Water Utility Enterprise Fund had a net position deficit of \$290,439.

*B. Expenditures in Excess of Appropriations*

Excess of expenditures over appropriations approved by the City Council occurred in individual funds during the fiscal year 2017-18 as follows:

Fund/Department	Expenditure	Appropriation	Excess
Special Revenue Funds			
Affordable Housing			
Community Development	\$ 2,996	\$ -	\$ (2,996)
Heron Bay			
Interest and Fees	3,400	-	(3,400)
Special Grants			
Public Safety	476,292	242,221	(234,071)
Measure B Paratransit			
Engineering and Transportation	256,057	-	(256,057)
Business Improvement District			
Community Development	698,000	634,000	(64,000)
Asset Seizure			
Public Safety	130,405	50,000	(80,405)

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 11 – 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, \$5 million for employer’s liability, and a statutory excess layer of \$50 million.

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 for liability losses. The City has had no settlements that exceed the self-insured retention 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
2015-2016	\$ 6,046,546	\$ 5,292,142	\$ (5,241,904)	\$ 6,096,784
2016-2017	6,096,784	9,704,853	(9,752,568)	6,049,069
2017-2018	6,049,069	4,068,268	(3,518,993)	6,598,344

**NOTE 12 – 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 11 to the Financial Statements, the City maintains a Self-Insurance Fund which has reserves of \$6,598,344 at the end of June 30, 2018. These reserves are available to satisfy any future liability.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)**

***A. Sales Tax Reimbursement Agreement***

The City has entered into a sales tax reimbursement agreement in order to encourage construction and improvement of property sites within the City. In return, the City is expected to make annual reimbursement payments until the full amount of assistance has been remitted or over a twenty (20) year period, whichever comes sooner. The annual cost of each reimbursement payment commitment is equal to 50% of the net sales tax generated and received by the City above a base amount of \$277,000 as stipulated in the approved agreements.

For financial reporting purposes, the GASB Statement No. 77 defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to GASB Statement No. 77, the substance of this sales-tax reimbursement agreement meets the definition of “tax abatements.”

For the fiscal year ended June 30, 2018, under this sales-tax reimbursement agreement, the City has abatements totaling \$183,309.

Pursuant to the Sales and Use Tax law (chapter 8 – Article 1 – section 7056), in order to protect the confidential information of the sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year.

**NOTE 13 – PENSIONS PLAN**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 and Summary of Balances by Plan***

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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 13 – PENSIONS PLAN (Continued)**

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended June 30, 2018:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 18,113,881	\$ 92,140,784	\$ 680,738
Safety	26,674,418	84,462,824	6,146,707
Total	<u>\$ 44,788,299</u>	<u>\$ 176,603,608</u>	<u>\$ 6,827,445</u>

**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 Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012. The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<b>Miscellaneous</b>		
	Prior to May 6, 2010	On or after May 6, 2010 to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55	50 to 63	52 to 67
Monthly benefits, as a % of eligible compensation	2.000% - 2.500%	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates, (blended)	29.404%	29.404%	29.404%

	<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 to 57
Monthly benefits, as a % of eligible compensation	3%	2% - 2.7%
Required employee contribution rates	9.000%	12.250%
Required employer contribution rates	55.802%	12.861%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded accrued liability (UAL). The dollar amounts are billed on a monthly basis. The City’s required contribution for the UAL was \$3,580,957 in fiscal year 2018, as shown in the table above.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 13 – PENSIONS PLAN (Continued)**

**Employees Covered** – As of the June 30, 2016 actuarial valuation date and the June 30, 2017 measurement date, the following employees were covered by the benefit terms for the plan:

	Miscellaneous	Safety
Active employees	176	81
Inactive employees entitled but not yet receiving benefits	291	41
Inactive employees or beneficiaries currently receiving benefits	599	293
Total	1,066	415

**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, 2018, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - employer	\$ 6,873,205	\$ 6,062,560	\$ 12,935,765

**B. Information Common to the Miscellaneous and Safety Plans**

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 Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2018**

**NOTE 13 – PENSIONS PLAN (Continued)**

*Actuarial Assumptions* – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.2% - 12.2% (1)
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)

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

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

(3) The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

For the measurement date of June 30, 2017, the accounting discount rate was reduced from 7.65 to 7.15 percent.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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.

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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 13 – PENSION PLAN (Continued)**

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%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100%		

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

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

**C. Miscellaneous (All Other) Agents Multiple-Employer Plan**

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2016</b>	\$ 268,595,247	\$ 186,151,563	\$ 82,443,684
<b>Changes in the year:</b>			
Service cost	4,044,169		4,044,169
Interest on the total pension liability	19,808,061		19,808,061
Changes of benefit terms			
Changes of assumptions	15,476,760		15,476,760
Differences between expected and actual experience	(1,248,019)		(1,248,019)
Plan to plan resource movement			
Contributions - employer		6,399,288	(6,399,288)
Contributions - employees		1,695,139	(1,695,139)
Net investment income		20,564,284	(20,564,284)
Benefit payments, including refunds of employee contributions	(15,620,511)	(15,620,511)	
Administrative expense		(274,840)	274,840
<b>Net changes</b>	22,460,460	12,763,360	9,697,100
<b>Balance at June 30, 2017</b>	\$ 291,055,707	\$ 198,914,923	\$ 92,140,784

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 13 – PENSION PLAN (Continued)**

***D. Safety Cost-Sharing Multiple-Employer Plan***

As of June 30, 2018, the Safety cost-sharing plan reported net pension liabilities for its proportionate shares of the net pension liability at \$84,462,824.

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 plan 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, 2016 and 2017 was as follows:

	Safety
Proportion - June 30, 2016	0.856477%
Proportion - June 30, 2017	0.851676%
Change - Increase (Decrease)	-0.004801%

***E. Other Information***

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the 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	6.15%	6.15%
Net Pension Liability	\$ 128,933,593	\$ 124,577,376
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 92,140,784	\$ 84,462,824
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 61,652,308	\$ 51,671,178

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



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 13 – PENSION PLAN (Continued)**

*Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions* – For the year ended June 30, 2018, the City recognized pension expense of \$14,856,013 and \$11,616,507 for Miscellaneous and Safety, respectively. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,873,205	\$ -
Differences between actual and expected experience	53,973	(680,738)
Changes in assumptions	8,441,869	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		
Net differences between projected and actual earnings on plan investments	<u>2,744,834</u>	
Total	<u>\$ 18,113,881</u>	<u>\$ (680,738)</u>

<u>Safety</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,062,560	\$ -
Differences between actual and expected experience	837,285	(218,303)
Changes in assumptions	12,142,732	(931,623)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	4,984,250	(4,996,781)
Net differences between projected and actual earnings on plan investments	<u>2,647,591</u>	
Total	<u>\$ 26,674,418</u>	<u>\$ (6,146,707)</u>

The \$6,873,205 and \$6,062,560 for Miscellaneous and Safety, respectively, will be 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous</u>		<u>Safety</u>	
Year Ended June 30	Annual Amortization	Year Ended June 30	Annual Amortization
2019	\$6,355,212	2019	\$3,648,705
2020	4,537,162	2020	8,461,405
2021	1,178,379	2021	3,904,239
2022	(1,510,815)	2022	(1,549,198)

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS**

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

**A. Plan Description**

The District administers a single-employer defined-benefit post-employment healthcare plan. Dependents are eligible to enroll, and benefits continue to surviving spouses. The plan was established by City Council in fiscal year 2009-10 provides reimbursements to retirees for qualified expenses. Retirees who have between five and fifteen 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.

*Benefits Provided* - Eligibility for retiree health benefits requires retirement from the City. Retirees may receive up to \$360 monthly medical and \$115.74 monthly dental reimbursement prior to age 65. Some retirees may receive \$200 monthly medical reimbursement from age 65 to age 70. With the exception of certain retirees who are eligible for the \$200 payment as discussed, after age 65, the retirees receive the PEMHCA minimum amount only.

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. No separate financial reports are issued by PARS for the OPEB plan.

*Employees Covered by Benefit Terms* – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	335
Inactives currently receiving benefit payments	290
Inactive entitled to but not yet receiving benefit payments	0
Total	625

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**B. Net OPEB Liability**

**Actuarial Methods and Assumptions** – The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined on actuarial valuation date that was rolled forward using standard update procedures to determine the total OPEB liability as of the measurement date, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2018 Measurement Date
Valuation Date	• June 30, 2017
Actuarial Cost Method	• Entry Age Normal Level Percentage of Payroll
Funding Policy	• City contributes full Actuarial Determined Contribution
Discount Rate	• 5.5 %
General Inflation	• 2.5% per annum
Mortality, Retirement, Disability, Termination	• Same as CalPERS
Salary Increases	• 2.875% • Additional merit-based on CalPERS merit salary increase tables.
Healthcare Cost Trend	• 7.0% in the first year, trending down to 3.84% over 58 years

The long-term expected rate of return on OPEB plan investments (comprised of capital appreciation and reinvestment of dividends, interest, and other distributions) is determined through a combination of historical rates of returns, valuation projections, and economic expectations. The expected return is then calculated by weighting the returns for each asset class according to the exposure as determined by HighMark’s current strategic allocation. Expected returns are developed and annually reviewed. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>Equity</b>	<b>30.35%</b>	
Large Cap	14.76%	6.70%
Mid Cap	2.25%	7.00%
Small Cap	5.14%	7.90%
Real Estate	0.82%	5.70%
International	5.25%	7.30%
Emerging Markets	2.13%	9.70%
<b>Fixed income</b>	<b>66.33%</b>	
Short-term	12.03%	3.80%
Intermediate-term	54.30%	4.60%
<b>Cash</b>	<b>3.32%</b>	2.10%
Total	<u>100.0%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability is 5.50%. This is the expected long-term rate of return on District assets using a Moderately Conservative Highmark PLUS fund within the Public Agency Retirement Services (PARS). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**C. Changes in Net OPEB Liability**

The changes in the net OPEB liability follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2017 Measurement Date	\$ 18,835,515	\$ 13,665,308	\$ 5,170,207
Changes Recognized for the Measurement Period:			
Service Cost	673,551		673,551
Interest on the total OPEB liability	1,054,962		1,054,962
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions	440,394		440,394
Employer contributions - City		1,552,834	(1,552,834)
Employer contributions - Implicit subsidy		733,837	(733,837)
Net investment income		528,900	(528,900)
Benefit payments	(802,834)	(802,834)	
Implicit rate subsidy fulfilled	(733,837)	(733,837)	
Administrative expenses		(67,811)	67,811
Net changes	632,236	1,211,089	(578,853)
Balance at June 20, 2018 Measurement Date	\$ 19,467,751	\$ 14,876,397	\$ 4,591,354
Plan fiduciary net position as percentage of the total OPEB liability			76.42%

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

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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 discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1% (6.50%)
\$6,222,094	\$4,591,354	\$2,824,719

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (7.0% in the first year, trending down to 3.84% over 58 years):

Net OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$2,764,795	\$4,591,354	\$6,381,026

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,150,192. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 364,464	\$ -
Net differences between projected and actual earnings on plan investments	193,162	-
Total	\$ 557,626	\$ -

The deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	\$ 124,220
2020	124,220
2021	124,220
2022	124,222
2023	60,744
Total	\$ 557,626

**NOTE 15 – 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 Sanitary 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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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 share of the expenses are recorded as expenses of the Water Pollution Control Fund.

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES**

**A. Cash and Investments**

Cash and Investments at June 30, 2018, consisted of the following:

Statement of net assets:

Cash and Investments	\$ 1,904,958
Cash and Investments held by trustee	205,153
Total cash and investments	\$ 2,110,111

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.

**B. Loan from the City**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Successor Agency	\$ 1,995,631
		\$ 1,995,631

**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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

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 made that payment in October 2015, after which the City, as a taxing entity itself, received approximately 12% of the funds.

On October 28, 2015, the Successor Agency was issued a finding of Completion, which permits the agency to place loan agreements between the former redevelopment agency and its sponsoring entity on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the oversight board makes a finding that the loan was made for legitimate redevelopment purposes. On January 27, 2016, the Oversight Board made such finding, which was approved by the Department of Finance, and the loan was placed on the 2016-17 ROPS.

The current outstanding balance on the loan is \$1,995,631. Including interest, the City will receive approximately \$3,369,000 in payments towards the loan. Of this, approximately \$2,695,000 will be remitted to the General Fund and \$674,000 (20%) will be remitted to the Low and Moderate Income Housing Asset Fund. In keeping with State law, a defined repayment schedule was developed with annual payments of \$574,829. Payments will be made based upon availability of funds after payment of other enforceable obligations on the ROPS and the yearly cap. Based upon this requirement, sufficient funds are projected to be available to begin payments in fiscal year 2017-18 and complete loan payoff by fiscal year 2022-23.

***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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

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, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Non-depreciable Assets:</b>				
Land	\$ 1,203,435	\$	\$ (497,059)	\$ 706,376
<b>Depreciable Assets:</b>				
Buildings and Improvements	828,076		(116,284)	711,792
<b>Total Depreciable Assets</b>	<u>828,076</u>		<u>(116,284)</u>	<u>711,792</u>
<b>Accumulated Depreciation:</b>				
Buildings and Improvements	(301,636)	(14,237)	29,843	(286,030)
<b>Total Accumulated Depreciation</b>	<u>(301,636)</u>	<u>(14,237)</u>	<u>29,843</u>	<u>(286,030)</u>
<b>Depreciable Assets, Net</b>	<u>526,440</u>	<u>(14,237)</u>	<u>(86,441)</u>	<u>425,762</u>
<b>Total Private Purpose Trust Fund Activity Capital Assets, Net</b>				
	<u>\$ 1,729,875</u>	<u>\$ (14,237)</u>	<u>\$ (583,500)</u>	<u>\$ 1,132,138</u>

**D. Long-Term Debt Obligations**

At June 30, 2018, future debt service requirements for the Successor Agency were as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>	<u>Long-Term</u> <u>Portion</u>
2008 Tax Allocation Bonds	\$ 23,480,000	\$ -	\$ (23,480,000)	\$ -	\$ -	\$ -
2013 Refunding Lease Revenue Bonds Successor Agency Portion	2,384,000		(204,000)	2,180,000	214,000	1,966,000
2014 Tax Allocation Refunding Bonds Successor Agency Portion	11,235,000			11,235,000		11,235,000
2018 Tax Allocation Refunding Bonds, Series A Successor Agency Portion		16,845,000		16,845,000		16,845,000
2018 Tax Allocation Refunding Bonds, Series B Successor Agency Portion		2,215,000		2,215,000		2,215,000
Owner Participation Agreements	1,036,458		(183,309)	853,149	317,288	535,861
King Property Settlement	1,250,000		(1,250,000)			
HUD 108 Guarantee Notes Affordable Housing	181,000		(63,000)	118,000	63,000	55,000
<b>Total</b>	<u>\$ 39,566,458</u>	<u>\$ 19,060,000</u>	<u>\$ (25,180,309)</u>	<u>\$ 33,446,149</u>	<u>\$ 594,288</u>	<u>\$ 32,851,861</u>
Plus (Less) unamortized:						
Premium (2008 TAB)	\$ 150,002	\$ -	\$ (150,002)	\$ -	\$ -	\$ -
Premium (2013 LRB)	83,485		(8,563)	74,922	8,562	66,360
Premium (2014 TARB)	1,429,117		(81,664)	1,347,453	81,664	1,265,789
Premium (2018 TARB)		1,809,519		1,809,519		1,809,519
<b>Total Debt</b>	<u>\$ 41,229,062</u>	<u>\$ 20,869,519</u>	<u>\$ (25,420,538)</u>	<u>\$ 36,678,043</u>	<u>\$ 684,514</u>	<u>\$ 35,993,529</u>



**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

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.

In fiscal year 2018, the City refunded the outstanding 2008 Tax Allocation Bonds with the issuance of the 2018 Tax Allocation Refunding Bonds, Series A and B. See below.

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.

At June 30, 2018, future debt service requirements for the Successor Agency’s portion of the 2013 Refunding Lease Revenue Bonds were as follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 214,000	\$ 75,370	\$ 289,370
2020	219,000	68,875	287,875
2021	224,000	62,230	286,230
2022	234,000	54,190	288,190
2023	240,000	44,710	284,710
2024 - 2027	1,049,000	88,683	1,137,683
	<u>\$ 2,180,000</u>	<u>\$ 394,058</u>	<u>\$ 2,574,058</u>

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 fiduciary net position.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

On the date of issuance of the 2014 Bonds, the Successor Agency deposited into the reserve account for the 2014 Bonds a municipal bond debt service insurance policy in the amount of \$1,121,078, which is equal to the “Reserve Requirement” for the 2014 Bonds. Neither the balance in the reserve account nor the Reserve Requirement for the 2014 Bonds has changed since such date.

At June 30, 2018, future debt service requirements for the 2014 Tax Allocation Refunding Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ -	\$ 537,825	\$ 537,825
2020	405,000	527,700	932,700
2021	485,000	505,450	990,450
2022	675,000	476,450	1,151,450
2023	720,000	441,575	1,161,575
2024 - 2028	3,920,000	1,638,375	5,558,375
2029 - 2033	4,280,000	607,213	4,887,213
2034 - 2035	750,000	26,425	776,425
	<u>\$ 11,235,000</u>	<u>\$ 4,761,013</u>	<u>\$ 15,996,013</u>

2018 Tax Allocation Refunding Bonds Series A

On May 8, 2018, the Successor Agency issued Tax Allocation Refunding Bonds (2018A TABs) in the amount of \$16,845,000. The proceeds of the bonds will be used to refund the 2008 Tax Allocation Bonds, Series 2008. Principal payments of the 2018A TABs are due annually on September from 2023 to 2039 in amounts ranging from \$430,000 to \$1,370,000 and bear interest at rates ranging from 3.375% to 5.000%. Interest is payable semiannually March 1 and September 1. The Bonds are payable solely from tax increment revenue generated in the Alameda County – City of San Leandro Redevelopment Project Area. Total principal and interest remaining to be paid on the Bonds was \$26,170,146 as of June 30, 2018.

The refunding resulted in an overall debt service savings of \$5,396,926. The net present value of the debt service savings, called an economic gain, amounted to \$3,752,681.

The bonds were issued at a premium of \$1,809,519 which is being amortized over the 21-year life of the bonds resulting in an annual amortization of \$86,168.

On the date of issuance of the 2018A TABs, the Successor Agency deposited into the reserve account for the 2018A TABs a municipal bond debt service insurance policy in the amount of \$1,431,438, which is equal to the “Reserve Requirement” for the 2018A TABs.

Proceeds from the 2018A TABs were deposited in an irrevocable trust with an escrow agent to provide funds to fully redeem, on June 5, 2018, the outstanding principal and accrued interest of the 2008 Tax Allocation Bonds.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

At June 30, 2018, future debt service requirements for the 2018 Tax Allocation Refunding Bonds Series A are as follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ -	\$ 171,734	\$ 171,734
2020		718,888	718,888
2021		718,888	718,888
2022		718,888	718,888
2023	430,000	718,888	1,148,888
2024 - 2028	3,895,000	3,165,590	7,060,590
2029 - 2033	4,980,000	2,107,140	7,087,140
2034 - 2039	7,540,000	1,005,130	8,545,130
	<u>\$ 16,845,000</u>	<u>\$ 9,325,146</u>	<u>\$ 26,170,146</u>

2018 Tax Allocation Refunding Bonds Series B

On May 8, 2018, the Successor Agency issued Tax Allocation Refunding Bonds (2018B TABs) in the amount of \$2,215,000. The proceeds of the bonds will be used to refund the 2008 Tax Allocation Bonds, Series 2008. The bonds mature annually each March and September from 2019 to 2022 in amounts ranging from \$260,000 to \$670,000 and bear interest at rates ranging from 2.700% to 3.210%. Interest is payable semiannually March 1 and September 1. The Bonds are payable solely from tax increment revenue generated in the Alameda County – City of San Leandro Redevelopment Project Area. Total principal and interest remaining to be paid on the Bonds was \$2,381,821 as of June 30, 2018.

The refunding resulted in an overall debt service savings of \$623,305. The net present value of the debt service savings, called an economic gain, amounted to \$430,761.

Proceeds from the 2018B TABs were deposited in an irrevocable trust with an escrow agent to provide funds to fully redeem, on June 5, 2018, the principal and accrued interest of the 2008 Tax Allocation Bonds.

At June 30, 2018, future debt service requirements for the 2018 Tax Allocation Refunding Bonds Series B are as follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$ -	\$ 15,632	\$ 15,632
2020	635,000	65,436	700,436
2021	650,000	48,291	698,291
2022	670,000	29,116	699,116
2023	260,000	8,346	268,346
	<u>\$ 2,215,000</u>	<u>\$ 166,821</u>	<u>\$ 2,381,821</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2018**

**NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)**

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.

**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.

During fiscal year 2018 the City made the final installment payment.

**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
2019	\$ 63,000	\$ 2,798	\$ 65,798
2020	55,000	908	55,908
	\$ 118,000	\$ 3,706	\$ 121,706

**NOTE 17 – SUBSEQUENT EVENT**

On December 3, 2018, the City Council of the City and the Board of Directors of the San Leandro Public Financing Authority approved the issuance, by the Authority, of lease revenue bonds in the amount of \$18,905,000 for the purposes of financing certain capital improvement projects of the City, anticipated to consist of improvements to the Police Headquarters and South Office Building, the Mulford-Marina Branch Library, Manor Park Competition Pool, Farrelly Pool, and Casa Peralta. The 2018 Lease Revenue Bonds bear interest rates ranging from 3.5% to 5.0% and are payable semiannually on each May 1 and November 1. Principal payments are payable annually on November 1.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

**City of San Leandro**  
**Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan**  
**As of fiscal year ending June 30, 2018**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**Last 10 Years \***

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 3,921,445	\$ 3,570,669	\$ 3,522,248	\$ 4,044,169
Differences between expected and actual experience		(8,034,544)	593,697	(1,248,019)
Changes in assumptions		(4,335,946)		15,476,760
Interest	18,796,998	18,867,111	19,495,753	19,808,061
Benefit payments, including refunds of employee contributions	(13,777,288)	(14,563,306)	(15,016,152)	(15,620,511)
<b>Net change in total pension liability</b>	8,941,155	(4,496,016)	8,595,546	22,460,460
<b>Total pension liability - beginning</b>	255,554,562	264,495,717	259,999,701	268,595,247
<b>Total pension liability - ending (a)</b>	<u>\$ 264,495,717</u>	<u>\$ 259,999,701</u>	<u>\$ 268,595,247</u>	<u>\$ 291,055,707</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,594,523	\$ 5,043,060	\$ 5,638,865	\$ 6,399,288
Contributions - employee	2,010,061	1,672,356	1,618,186	1,695,139
Net investment income	29,807,971	4,385,312	994,580	20,564,284
Benefit payments, including refunds of employee contributions	(13,777,288)	(14,563,306)	(15,016,152)	(15,620,511)
Plan to Plan Resource Movement		(572)		
Plan to Plan Resource Movement		(217,263)	(117,644)	(274,840)
<b>Net change in plan fiduciary net position</b>	22,635,267	(3,680,413)	(6,882,165)	12,763,360
<b>Plan fiduciary net position - beginning</b>	174,078,874	196,714,141	193,033,728	186,151,563
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 196,714,141</u>	<u>\$ 193,033,728</u>	<u>\$ 186,151,563</u>	<u>\$ 198,914,923</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$ 67,781,576</u>	<u>\$ 66,965,973</u>	<u>\$ 82,443,684</u>	<u>\$ 92,140,784</u>
Plan fiduciary net position as a percentage of the total pension liability	25.63%	25.76%	30.69%	31.66%
Covered payroll	\$ 20,167,441	\$ 19,979,507	\$ 21,037,041	\$ 21,903,698
Plan fiduciary net position as a percentage of covered payroll	336.09%	335.17%	391.90%	420.66%

**Notes to Schedule:**

**Benefit changes** - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the actuarial valuation date. 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** - In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* Fiscal year 2015 was the 1st year of implementation.

**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

**City of San Leandro**  
**Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan**  
**As of fiscal year ending June 30, 2018**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,043,060	\$ 5,638,865	\$ 6,387,063	\$ 6,873,205
Contributions in relation to the actuarially determined contributions	<u>(5,043,060)</u>	<u>(5,638,865)</u>	<u>(6,387,063)</u>	<u>(6,873,205)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,979,507	\$ 21,037,041	\$ 21,903,698	\$ 22,862,709
Contributions as a percentage of covered payroll	25.24%	26.80%	29.16%	30.06%
<b>Notes to Schedule</b>				
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	8 years
Asset valuation method	5-year semi-annually
Inflation	2.75%
Salary increases	3.2% - 12.2%
Investment rate of return	7.15%, 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.



**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

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\***

	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's proportion of the Net Pension Liability (Asset)	0.77754%	0.84138%	0.85648%	0.85168%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 48,381,880	\$ 57,751,630	\$ 74,111,802	\$ 84,462,824
Plan's Covered Payroll	\$ 10,789,007	\$ 10,794,582	\$ 11,439,904	\$ 11,316,753
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	450.15%	535.01%	647.84%	746.35%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%

\* - Fiscal year 2015 was the 1st year of implementation.

**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

City of San Leandro  
**Cost-Sharing Multiple Employer Defined Pension Plan - Safety Plan**  
**For the Fiscal Year Ended June 30, 2018**  
**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,992,821	\$ 5,482,854	\$ 5,233,646	\$ 6,062,560
Contributions in relation to the actuarially determined contributions	<u>(2,992,821)</u>	<u>(5,482,854)</u>	<u>(5,233,646)</u>	<u>(6,062,560)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,794,582	\$ 11,439,904	\$ 11,316,753	\$ 12,839,365
Contributions as a percentage of covered payroll	27.73%	47.93%	46.25%	47.22%

\* - Fiscal year 2015 was the 1st year of implementation.

**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

**Other Postemployment Benefits - Single-Employer Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years (1)(2)**

For the Measurement Period Ended June 30	2017	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 709,979	\$ 673,551
Interest	1,027,370	1,054,962
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	440,394
Implicit rate subsidy fulfilled	-	(733,837)
Benefit Payments	(1,538,260)	(802,834)
Net change in Total OPEB Liability	199,089	632,236
Total OPEB Liability at beginning of year	18,636,426	18,835,515
<b>Total OPEB Liability at end of year</b>	<b>\$ 18,835,515</b>	<b>\$ 19,467,751</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 8,488,260	\$ 1,552,834
Contributions - employer for implicit subsidy	-	733,837
Contributions - member	-	-
Net investment income	640,483	528,900
Benefit payments	(1,538,260)	(802,834)
Implicit subsidy fulfilled	-	(733,837)
Administrative expenses	(40,605)	(67,811)
Net change in Plan Fiduciary Net Position	7,549,878	1,211,089
Plan Fiduciary Net Position at beginning of year	6,115,430	13,665,308
<b>Plan Fiduciary Net Position at end of year</b>	<b>\$ 13,665,308</b>	<b>\$ 14,876,397</b>
<b>Authority's Net OPEB Liability (Asset) at end of year</b>	<b>\$ 5,170,207</b>	<b>\$ 4,591,354</b>
<b>Plan's Fiduciary Net Position as percentage of Total OPEB Liability</b>	72.6%	76.4%
<b>Covered employee payroll</b>	\$34,267,955	\$33,357,709
<b>Net OPEB Liability as percentage of covered payroll</b>	15.09%	13.76%

**Notes:**

(1) Fiscal year 2017 was the first year of implementation for GASB 74

(2) Fiscal year 2018 was the first year of implementation for GASB 75

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:

<b>CITY OF SAN LEANDRO</b> <b>Notes to Required Supplementary Information</b> <b>For the year ended June 30, 2018</b>
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**Other Postemployment Benefits - Single-Employer Plan**  
**Schedule of Contributions**  
**Last Ten Fiscal Years (1)(2)**

Fiscal Year Ended June 30,	2017	2018
Actuarially determined contribution	\$ 892,618	\$ 1,121,087
Contributions in relation to the actuarially determined contribution	(7,788,327)	(2,286,671)
Contribution deficiency (excess)	\$ (6,895,709)	\$ (1,165,584)
Covered-employee payroll	\$ 34,267,955	\$ 33,357,709
Contributions as a percentage of covered-employee payroll	22.73%	6.86%

**Notes:**

- (1) Fiscal year 2017 was the first year of implementation for GASB 74
- (2) Fiscal year 2018 was the first year of implementation for GASB 75

**City of San Leandro**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

**BUDGETS AND BUDGETARY ACCOUNTING**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
<b>REVENUES:</b>				
Property taxes and other taxes	\$ 89,291,427	\$ 89,291,427	\$ 91,065,635	\$ 1,774,208
Licenses and permits	8,631,920	8,631,920	9,582,916	950,996
Fines and forfeitures	1,495,000	1,495,000	1,688,351	193,351
Services charges	3,346,674	3,346,674	3,207,368	(139,306)
Intergovernmental	1,080,000	1,118,580	1,210,883	92,303
Use of money and property	1,267,300	1,285,300	1,638,505	353,205
Interdepartmental charges	2,000,000	2,000,000	1,999,878	(122)
Other	1,914,300	1,956,776	1,195,732	(761,044)
<b>Total revenues</b>	<b>109,026,621</b>	<b>109,125,677</b>	<b>111,589,268</b>	<b>2,463,591</b>
<b>EXPENDITURES:</b>				
Current:				
General government	12,173,233	13,387,297	11,658,959	1,728,338
Public safety	61,955,325	62,320,647	59,427,666	2,892,981
Engineering and transportation	10,049,262	10,140,873	9,475,575	665,298
Recreation and culture	10,847,922	10,997,220	10,534,497	462,723
Community development	6,302,484	7,778,385	5,698,625	2,079,760
Debt service:				
Principal	2,059,439	2,059,439	1,569,330	490,109
Interest and fees	809,826	809,826	808,323	1,503
<b>Total expenditures</b>	<b>104,197,491</b>	<b>107,493,687</b>	<b>99,172,975</b>	<b>8,320,712</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,829,130</b>	<b>1,631,990</b>	<b>12,416,293</b>	<b>10,784,303</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(10,178,889)	(10,205,889)	(10,205,889)	-
<b>Total other financing sources (uses)</b>	<b>(10,178,889)</b>	<b>(10,205,889)</b>	<b>(10,205,889)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,349,759)</b>	<b>\$ (8,573,899)</b>	<b>2,210,404</b>	<b>\$ 10,784,303</b>
<b>FUND BALANCES:</b>				
Beginning of year			50,961,893	
End of year			<u>\$ 53,172,297</u>	

**CITY OF SAN LEANDRO**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

***Budgets and Budgetary Accounting***

The City adopts a biennial budget annually for all governmental fund types. This budget is effective July 1 through June 30 for each of the ensuing fiscal years. The second year of the biennial budget is amended during the mid-biennial budget cycle process. 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 that 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 may be carried over for not more than five (5) fiscal years as per the City of San Leandro Charter, Section 520. The City did not budget Proposition 1B – Local Streets and Roads Fund and Housing In Lieu 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, not to exceed five fiscal years, 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.



**SUPPLEMENTARY INFORMATION**



**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Major Governmental Fund**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Service charges	\$ 10,000	\$ 234,982	\$ 224,982
Use of money and property	-	629	629
Other	-	4,331,576	4,331,576
<b>Total revenues</b>	<b>10,000</b>	<b>4,567,187</b>	<b>4,557,187</b>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	10,948,950	6,147,340	4,801,610
Recreation and culture	166,989	166,989	-
Community development	14,845,852	1,326,702	13,519,150
<b>Total expenditures</b>	<b>25,961,791</b>	<b>7,641,031</b>	<b>18,320,760</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(25,951,791)</b>	<b>(3,073,844)</b>	<b>22,877,947</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer in	15,316,989	10,056,989	(5,260,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (10,634,802)</b>	<b>6,983,145</b>	<b>\$ 17,617,947</b>
<b>FUND BALANCES:</b>			
Beginning of year		16,039,786	
End of year		<b>\$ 23,022,931</b>	

## 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 FUND

**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** – This fund accounts for the Certificates of Participation issued for the library and fire stations seismic retrofit. These Certificates of Participation were refunded by the issuance of the 2016 Lease Revenue Bonds. 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

**San Leandro Hillside Geological Hazardous Abatement District (GHAD)** – 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, 2018**

	Special Revenue Funds				
	Affordable Housing Asset Fund	Street/ Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking
<b>ASSETS</b>					
Cash and investments	\$ 1,529,354	\$ 1,790,955	\$ 1,263,616	\$ 2,587,663	\$ 290,616
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	90,836	2,955	-	-	4,660
Federal, State, and local grants	-	-	-	-	-
Interest	3,400	4,038	2,909	5,993	432
Special assessments	-	-	-	-	-
Loans	354,463	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,978,053</u></b>	<b><u>\$ 1,797,948</u></b>	<b><u>\$ 1,266,525</u></b>	<b><u>\$ 2,593,656</u></b>	<b><u>\$ 295,708</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 836	\$ 10,248	\$ 933,826	\$ -	\$ 24,486
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>836</u></b>	<b><u>10,248</u></b>	<b><u>933,826</u></b>	<b><u>-</u></b>	<b><u>24,486</u></b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - grants receivable	-	-	-	-	-
<b>Total Deferred Inflow of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>					
Restricted	<u>1,977,217</u>	<u>1,787,700</u>	<u>332,699</u>	<u>2,593,656</u>	<u>271,222</u>
<b>Total Fund Balances</b>	<b><u>1,977,217</u></b>	<b><u>1,787,700</u></b>	<b><u>332,699</u></b>	<b><u>2,593,656</u></b>	<b><u>271,222</u></b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b><u>\$ 1,978,053</u></b>	<b><u>\$ 1,797,948</u></b>	<b><u>\$ 1,266,525</u></b>	<b><u>\$ 2,593,656</u></b>	<b><u>\$ 295,708</u></b>

(Continued)

Special Revenue Funds

Special Gas Tax	Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 1,336,539	\$ 381,585	\$ 332,126	\$ 1,121,861	\$ 983,674	\$ 13,107	\$ -	\$ 2,127,908
-	-	-	-	-	-	-	-
187,096	-	-	-	-	-	594,434	32,600
-	-	49,557	-	-	-	2,273,887	277,339
2,583	890	-	2,822	2,240	32	-	4,440
-	11,422	-	-	6,198	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,526,218</u>	<u>\$ 393,897</u>	<u>\$ 381,683</u>	<u>\$ 1,124,683</u>	<u>\$ 992,112</u>	<u>\$ 13,139</u>	<u>\$ 2,868,321</u>	<u>\$ 2,442,287</u>
\$ 109,127	\$ -	\$ 18,770	\$ 54,182	\$ 30,819	\$ -	\$ 25,026	\$ 11,622
-	-	-	-	-	-	313,637	-
109,127	-	18,770	54,182	30,819	-	338,663	11,622
-	-	-	-	-	-	2,323,444	-
-	-	-	-	-	-	2,323,444	-
1,417,091	393,897	362,913	1,070,501	961,293	13,139	206,214	2,430,665
1,417,091	393,897	362,913	1,070,501	961,293	13,139	206,214	2,430,665
<u>\$ 1,526,218</u>	<u>\$ 393,897</u>	<u>\$ 381,683</u>	<u>\$ 1,124,683</u>	<u>\$ 992,112</u>	<u>\$ 13,139</u>	<u>\$ 2,868,321</u>	<u>\$ 2,442,287</u>

(Continued)

**City of San Leandro  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2018**

	Special Revenue Funds				
	Measure BB	Measure F	C.D.B.G.	HOME	Housing In-Lieu
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 700,624	\$ 399,505	\$ 496,885	\$ 239,977
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	2,148,614	73,679	-	-	-
Federal, State, and local grants	-	-	-	-	-
Interest	61	1,392	-	910	571
Special assessments	-	-	-	-	-
Loans	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,148,675</b>	<b>\$ 775,695</b>	<b>\$ 399,505</b>	<b>\$ 497,795</b>	<b>\$ 240,548</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 146,648	\$ -	\$ 22,455	\$ -	\$ -
Due to other funds	1,283,899	-	-	-	-
<b>Total Liabilities</b>	<b>1,430,547</b>	<b>-</b>	<b>22,455</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - grants receivable	-	-	-	-	-
<b>Total Deferred Inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:					
Restricted	718,128	775,695	377,050	497,795	240,548
<b>Total Fund Balances</b>	<b>718,128</b>	<b>775,695</b>	<b>377,050</b>	<b>497,795</b>	<b>240,548</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 2,148,675</b>	<b>\$ 775,695</b>	<b>\$ 399,505</b>	<b>\$ 497,795</b>	<b>\$ 240,548</b>

(Continued)

Special Revenue Funds		Debt Service Funds		Capital Projects Fund	Total Non-Major Governmental Funds
Business Improvement District	Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	GHAD	
\$ 173,083	\$ 693,042	\$ 121	\$ 750,904	\$ 14,148	\$17,227,293
-	-	-	9	-	9
49,564	74,966	-	-	-	3,259,404
-	-	-	-	-	2,600,783
429	1,535	-	-	-	34,677
96	-	-	-	-	17,716
-	-	-	-	-	354,463
<u>\$ 223,172</u>	<u>\$ 769,543</u>	<u>\$ 121</u>	<u>\$ 750,913</u>	<u>\$ 14,148</u>	<u>\$ 23,494,345</u>
\$ 98,000	\$ 6,219	\$ -	\$ -	\$ -	\$ 1,492,264
-	-	-	-	-	1,597,536
<u>98,000</u>	<u>6,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,089,800</u>
-	-	-	-	-	2,323,444
-	-	-	-	-	2,323,444
<u>125,172</u>	<u>763,324</u>	<u>121</u>	<u>750,913</u>	<u>14,148</u>	<u>18,081,101</u>
<u>125,172</u>	<u>763,324</u>	<u>121</u>	<u>750,913</u>	<u>14,148</u>	<u>18,081,101</u>
<u>\$ 223,172</u>	<u>\$ 769,543</u>	<u>\$ 121</u>	<u>\$ 750,913</u>	<u>\$ 14,148</u>	<u>\$ 23,494,345</u>



**City of San Leandro**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds				
	Affordable Housing Asset Fund	Street/Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	474,571	-	-	222,554
Service charges	-	-	-	348,635	-
Intergovernmental	-	-	-	-	-
Use of money and property	74,067	9,211	6,785	13,750	1,943
Other	217,594	-	212,032	-	600,000
<b>Total Revenues</b>	<u>291,661</u>	<u>483,782</u>	<u>218,817</u>	<u>362,385</u>	<u>824,497</u>
<b>EXPENDITURES:</b>					
Current:					
General government					
Public safety	-	-	-	-	-
Engineering and transportation	-	245,233	-	37,348	425,730
Recreation and culture	-	-	957,567	-	-
Community development	2,996	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,996</u>	<u>245,233</u>	<u>957,567</u>	<u>37,348</u>	<u>425,730</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>288,665</u>	<u>238,549</u>	<u>(738,750)</u>	<u>325,037</u>	<u>398,767</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>288,665</u>	<u>238,549</u>	<u>(738,750)</u>	<u>325,037</u>	<u>398,767</u>
<b>FUND BALANCES:</b>					
Beginning of year	<u>1,688,552</u>	<u>1,549,151</u>	<u>1,071,449</u>	<u>2,268,619</u>	<u>(127,545)</u>
End of year	<u>\$ 1,977,217</u>	<u>\$ 1,787,700</u>	<u>\$ 332,699</u>	<u>\$ 2,593,656</u>	<u>\$ 271,222</u>

(Continued)

Special Revenue Funds

Special Gas Tax	Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ -	\$ -	\$ -	\$ -	\$ 358,911	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,270,562	-	314,034	432,361	-	-	2,135,533	1,757,454
6,065	1,999	-	6,375	5,072	71	-	(1,558)
100,840	-	-	-	-	-	5,160	84,111
<u>2,377,467</u>	<u>1,999</u>	<u>314,034</u>	<u>438,736</u>	<u>363,983</u>	<u>71</u>	<u>2,140,693</u>	<u>1,840,007</u>
-	-	-	130,405	-	-	20,113	-
2,771,701	-	256,057	-	325,441	-	476,292	-
-	-	-	-	-	-	417,949	1,696,237
-	-	-	-	-	-	239,268	-
-	-	-	-	-	-	191,288	-
-	-	-	-	-	-	-	-
-	-	-	-	3,400	-	-	-
<u>2,771,701</u>	<u>-</u>	<u>256,057</u>	<u>130,405</u>	<u>328,841</u>	<u>-</u>	<u>1,344,910</u>	<u>1,696,237</u>
(394,234)	1,999	57,977	308,331	35,142	71	795,783	143,770
<u>288,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>288,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(105,345)	1,999	57,977	308,331	35,142	71	795,783	143,770
<u>1,522,436</u>	<u>391,898</u>	<u>304,936</u>	<u>762,170</u>	<u>926,151</u>	<u>13,068</u>	<u>(589,569)</u>	<u>2,286,895</u>
<u>\$ 1,417,091</u>	<u>\$ 393,897</u>	<u>\$ 362,913</u>	<u>\$ 1,070,501</u>	<u>\$ 961,293</u>	<u>\$ 13,139</u>	<u>\$ 206,214</u>	<u>\$ 2,430,665</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, 2018**

	Special Revenue Funds				
	Measure BB	Measure F	C.D.B.G.	HOME	Housing In-Lieu
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	46,093
Service charges	-	-	-	-	-
Intergovernmental	3,447,965	425,568	383,850	270,983	-
Use of money and property	4,090	556	-	2,270	1,312
Other	-	-	300,000	91,493	-
<b>Total Revenues</b>	<b>3,452,055</b>	<b>426,124</b>	<b>683,850</b>	<b>364,746</b>	<b>47,405</b>
<b>EXPENDITURES:</b>					
Current:					
General government					
Public safety	-	-	-	-	-
Engineering and transportation	3,627,883	222,279	-	-	-
Recreation and culture	-	-	-	-	-
Community development	-	-	248,653	9,160	-
Debt service:					
Principal	-	-	131,000	-	-
Interest and fees	-	-	63,585	-	-
<b>Total Expenditures</b>	<b>3,627,883</b>	<b>222,279</b>	<b>443,238</b>	<b>9,160</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(175,828)</b>	<b>203,845</b>	<b>240,612</b>	<b>355,586</b>	<b>47,405</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(175,828)</b>	<b>203,845</b>	<b>240,612</b>	<b>355,586</b>	<b>47,405</b>
<b>FUND BALANCES:</b>					
Beginning of year	893,956	571,850	136,438	142,209	193,143
End of year	<u>\$ 718,128</u>	<u>\$ 775,695</u>	<u>\$ 377,050</u>	<u>\$ 497,795</u>	<u>\$ 240,548</u>

(Continued)

Special Revenue Funds		Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
Business Improvement District	Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	GHAD	
\$ -	\$ 223,966	\$ -	\$ -	\$ -	\$ 582,877
400,381	-	-	-	-	1,143,599
-	-	-	-	-	348,635
193,909	-	-	-	-	11,632,219
924	3,515	-	2,370,320	-	2,506,767
-	-	-	-	-	1,611,230
<u>595,214</u>	<u>227,481</u>	<u>-</u>	<u>2,370,320</u>	<u>-</u>	<u>17,825,327</u>
-	-	-	-	-	20,113
-	-	-	-	-	606,697
-	-	-	-	-	10,025,858
-	-	-	-	-	1,196,835
698,000	68,632	-	-	-	1,218,729
-	-	-	1,506,000	-	1,637,000
-	-	-	868,774	-	935,759
<u>698,000</u>	<u>68,632</u>	<u>-</u>	<u>2,374,774</u>	<u>-</u>	<u>15,640,991</u>
<u>(102,786)</u>	<u>158,849</u>	<u>-</u>	<u>(4,454)</u>	<u>-</u>	<u>2,184,336</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,889</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,889</u>
<u>(102,786)</u>	<u>158,849</u>	<u>-</u>	<u>(4,454)</u>	<u>-</u>	<u>2,473,225</u>
<u>227,958</u>	<u>604,475</u>	<u>121</u>	<u>755,367</u>	<u>14,148</u>	<u>15,607,876</u>
<u>\$ 125,172</u>	<u>\$ 763,324</u>	<u>\$ 121</u>	<u>\$ 750,913</u>	<u>\$ 14,148</u>	<u>\$ 18,081,101</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 20,000	\$ 74,067	\$ 54,067
Other	90,000	217,594	127,594
<b>Total Revenues</b>	<u>110,000</u>	<u>291,661</u>	<u>181,661</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	-	2,996	(2,996)
<b>Total Expenditures</b>	<u>-</u>	<u>2,996</u>	<u>(2,996)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 110,000</u>	<u>288,665</u>	<u>\$ 178,665</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,688,552</u>	
End of year		<u>\$ 1,977,217</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and permits	\$ 80,000	\$ 474,571	\$ 394,571
Use of money and property	7,000	9,211	2,211
<b>Total Revenues</b>	<u>87,000</u>	<u>483,782</u>	<u>396,782</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>1,087,318</u>	<u>245,233</u>	<u>842,085</u>
<b>Total Expenditures</b>	<u>1,087,318</u>	<u>245,233</u>	<u>842,085</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,000,318)</u>	<u>238,549</u>	<u>\$ 1,238,867</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>1,549,151</u>	
End of year		<u>\$ 1,787,700</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 3,000	\$ 6,785	\$ 3,785
Other	380,000	212,032	(167,968)
<b>Total Revenues</b>	<b>383,000</b>	<b>218,817</b>	<b>(164,183)</b>
<b>EXPENDITURES:</b>			
Current:			
Recreation and culture	1,303,088	957,567	345,521
<b>Total Expenditures</b>	<b>1,303,088</b>	<b>957,567</b>	<b>345,521</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (920,088)</b>	<b>(738,750)</b>	<b>\$ 181,338</b>
<b>FUND BALANCES:</b>			
Beginning of year		1,071,449	
End of year		<b>\$ 332,699</b>	

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ 3,000	\$ 13,750	\$ 10,750
Service charges	70,000	348,635	278,635
<b>Total Revenues</b>	<b>73,000</b>	<b>362,385</b>	<b>289,385</b>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	1,915,754	37,348	1,878,406
<b>Total Expenditures</b>	<b>1,915,754</b>	<b>37,348</b>	<b>1,878,406</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,842,754)</b>	<b>325,037</b>	<b>\$ 2,167,791</b>
<b>FUND BALANCES:</b>			
Beginning of year		2,268,619	
End of year		<b>\$ 2,593,656</b>	



**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and permits	\$ 242,000	\$ 222,554	\$ (19,446)
Use of money and property	-	1,943	1,943
Other revenue	-	600,000	600,000
<b>Total revenues</b>	<u>242,000</u>	<u>824,497</u>	<u>582,497</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>913,178</u>	<u>425,730</u>	<u>487,448</u>
<b>Total expenditures</b>	<u>913,178</u>	<u>425,730</u>	<u>487,448</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (671,178)</u>	<u>398,767</u>	<u>\$ 1,069,945</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>(127,545)</u>	
End of year		<u>\$ 271,222</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 2,345,275	\$ 2,270,562	\$ (74,713)
Use of money and property	4,000	6,065	2,065
Other	100,346	100,840	494
<b>Total revenues</b>	<u>2,449,621</u>	<u>2,377,467</u>	<u>(72,154)</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	4,291,942	2,771,701	1,520,241
<b>Total expenditures</b>	<u>4,291,942</u>	<u>2,771,701</u>	<u>1,520,241</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	288,889	288,889	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,553,432)</u>	<u>(105,345)</u>	<u>\$ 1,448,087</u>
<b>FUND BALANCES:</b>			
Beginning of year		1,522,436	
End of year		<u>\$ 1,417,091</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 23,300	\$ -	\$ (23,300)
Use of money and property	500	2,001	1,501
<b>Total revenues</b>	<b>23,800</b>	<b>2,001</b>	<b>(21,799)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 23,800</b>	<b>1,999</b>	<b>\$ (21,801)</b>
<b>FUND BALANCES:</b>			
Beginning of year		391,898	
End of year		\$ 393,897	

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 314,034	\$ 314,034
<b>Total revenues</b>	<u>-</u>	<u>314,034</u>	<u>314,034</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	-	256,057	(256,057)
<b>Total expenditures</b>	<u>-</u>	<u>256,057</u>	<u>(256,057)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES:</b>	<u>-</u>	<u>57,977</u>	<u>570,091</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>57,977</u>	<u>\$ 57,977</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>304,936</u>	
End of year		<u>\$ 362,913</u>	

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Intergovernmental	\$ 270,000	\$ 432,361	\$ 162,361
Use of money and property	2,000	6,375	4,375
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	<u>272,000</u>	<u>438,736</u>	<u>166,736</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	50,000	130,405	(80,405)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	<u>50,000</u>	<u>130,405</u>	<u>(80,405)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 222,000</u>	<u>308,331</u>	<u>\$ 86,331</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>762,170</u>	
End of year		<u>\$ 1,070,501</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, 2018**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 350,000	\$ 358,911	\$ 8,911
Use of money and property	2,000	5,072	3,072
<b>Total revenues</b>	<u>352,000</u>	<u>363,983</u>	<u>11,983</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	939,118	325,441	613,677
Debt service:			
Interest and fees	-	3,400	(3,400)
<b>Total expenditures</b>	<u>939,118</u>	<u>328,841</u>	<u>610,277</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (587,118)</u>	<u>35,142</u>	<u>\$ (622,260)</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>926,151</u>	
End of year		<u>\$ 961,293</u>	

**City of San Leandro**

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

**Non Major Governmental Fund**

**Proposition IB - Local Streets & Roads Special Revenue Fund**

**For the year ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Use of money and property	\$ -	\$ 71	\$ 71
<b>Total revenues</b>	<u>-</u>	<u>71</u>	<u>71</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>71</u>	<u>\$ 71</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>13,068</u>	
End of year		<u>\$ 13,139</u>	

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 2,493,722	\$ 2,135,533	\$ (358,189)
Other	5,500	5,160	(340)
<b>Total revenues</b>	<u>2,499,222</u>	<u>2,140,693</u>	<u>(358,529)</u>
<b>EXPENDITURES:</b>			
Current:			
General government	25,000	20,113	4,887
Public safety	242,221	476,292	(234,071)
Engineering and transportation	2,958,826	417,949	2,540,877
Community development	201,905	191,288	10,617
Recreation and culture	914,206	239,268	674,938
<b>Total expenditures</b>	<u>4,342,158</u>	<u>1,344,910</u>	<u>2,997,248</u>
<b>REVENUES OVER (UNDER) EXPENDITURES:</b>	<u>(1,842,936)</u>	<u>795,783</u>	<u>(3,355,777)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (1,842,936)</u>	<u>795,783</u>	<u>\$ 2,638,719</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>(589,569)</u>	
End of year		<u>\$ 206,214</u>	



# 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, 2018

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 1,688,528	\$ 1,757,454	\$ 68,926
Use of money and property	7,000	(1,558)	(8,558)
Other	30,000	84,111	54,111
<b>Total revenues</b>	<u>1,725,528</u>	<u>1,840,007</u>	<u>114,479</u>
<b>EXPENDITURES:</b>			
Current:			
Recreation and culture	<u>8,177,992</u>	<u>1,696,237</u>	<u>6,481,755</u>
<b>Total expenditures</b>	<u>8,177,992</u>	<u>1,696,237</u>	<u>6,481,755</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (6,452,464)</u>	<u>143,770</u>	<u>\$ 6,596,234</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>2,286,895</u>	
End of year		<u>\$ 2,430,665</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Measure BB Special Revenue Fund**  
**For the year ended June 30, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 7,494,852	\$ 3,447,965	\$ (4,046,887)
Use of money and property	7,000	4,090	(2,910)
<b>Total revenues</b>	<u>7,501,852</u>	<u>3,452,055</u>	<u>(4,049,797)</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>12,717,624</u>	<u>3,627,883</u>	<u>9,089,741</u>
<b>Total expenditures</b>	<u>12,717,624</u>	<u>3,627,883</u>	<u>9,089,741</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (5,215,772)</u>	<u>(175,828)</u>	<u>\$ 5,039,944</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>893,956</u>	
End of year		<u>\$ 718,128</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, 2018**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 404,938	\$ 425,568	\$ 20,630
Use of money and property	<u>1,000</u>	<u>556</u>	<u>(444)</u>
<b>Total revenues</b>	<u>405,938</u>	<u>426,124</u>	<u>20,186</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>1,347,615</u>	<u>222,279</u>	<u>1,125,336</u>
<b>Total expenditures</b>	<u>1,347,615</u>	<u>222,279</u>	<u>1,125,336</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (941,677)</u>	<u>203,845</u>	<u>\$ 1,145,522</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>571,850</u>	
End of year		<u>\$ 775,695</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 650,000	\$ 383,850	\$ (266,150)
Other revenues		300,000	300,000
<b>Total revenues</b>	<u>650,000</u>	<u>683,850</u>	<u>\$33,850</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	847,784	248,653	599,131
Debt service:			
Principal	131,000	131,000	-
Interest and fees	63,585	63,585	-
<b>Total expenditures</b>	<u>1,042,369</u>	<u>443,238</u>	<u>599,131</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (392,369)</u>	<u>240,612</u>	<u>\$ 632,981</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>136,438</u>	
End of year		<u>\$ 377,050</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 156,000	\$ 270,983	\$ 114,983
Use of money and property	1,000	2,270	1,270
Other	30,000	91,493	61,493
<b>Total revenues</b>	<b>187,000</b>	<b>364,746</b>	<b>177,746</b>
<b>EXPENDITURES:</b>			
Current:			
Community development	22,952	9,160	13,792
<b>Total expenditures</b>	<b>22,952</b>	<b>9,160</b>	<b>13,792</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 164,048</b>	<b>355,586</b>	<b>\$ 191,538</b>
<b>FUND BALANCES:</b>			
Beginning of year		142,209	
End of year		<b>\$ 497,795</b>	

**City of San Leandro**

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

**Non Major Governmental Fund**

**Housing In-Lieu Special Revenue Fund**

**For the year ended June 30, 2018**

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and grants	\$ -	\$ 46,093	\$ 46,093
Use of money and property	-	1,312	1,312
<b>Total revenues</b>	-	47,405	47,405
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>47,405</u>	<u>\$ 47,405</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>193,143</u>	
End of year		<u>\$ 240,548</u>	

# City of San Leandro

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

### Non Major Governmental Fund

### Business Improvement District Special Revenue Fund

For the year ended June 30, 2018

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Licenses and permits	\$ 349,000	\$ 400,381	\$ 51,381
Intergovernmental	285,000	193,909	(91,091)
Use of money and property	-	924	924
<b>Total revenues</b>	<u>634,000</u>	<u>595,214</u>	<u>(38,786)</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	<u>634,000</u>	<u>698,000</u>	<u>(64,000)</u>
<b>Total expenditures</b>	<u>634,000</u>	<u>698,000</u>	<u>(64,000)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>(102,786)</u>	<u>\$ (102,786)</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>227,958</u>	
End of year		<u>\$ 125,172</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 Special Revenue Fund

For the year ended June 30, 2018

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	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ 200,000	\$ 223,966	\$ 23,966
Use of money and property	450	3,515	3,065
<b>Total revenues</b>	<u>200,450</u>	<u>227,481</u>	<u>27,031</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	<u>97,013</u>	<u>68,632</u>	<u>28,381</u>
<b>Total expenditures</b>	<u>97,013</u>	<u>68,632</u>	<u>28,381</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 103,437</u>	<u>158,849</u>	<u>\$ 55,412</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>604,475</u>	
End of year		<u>\$ 763,324</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Property and other taxes	\$ -	\$ -	\$ -
Use of money and property	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES:</b>			
Debt service:			
Interest and fees	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>          121</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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Use of money and property	\$ 2,327,571	\$ 2,370,320	\$ 42,749
<b>Total revenues</b>	<u>2,327,571</u>	<u>2,370,320</u>	<u>42,749</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal	1,506,000	1,506,000	-
Interest and fees	<u>868,891</u>	<u>868,774</u>	<u>117</u>
<b>Total expenditures</b>	<u>2,374,891</u>	<u>2,374,774</u>	<u>117</u>
<b>OTHER FINANCING SOURCES:</b>			
Proceeds from issuance of debt	-	(2,130,092)	(2,130,092)
Premium on issuance of debt	<u>-</u>	<u>2,130,092</u>	<u>2,130,092</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (47,320)</u>	<u>(4,454)</u>	<u>\$ 42,866</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>755,367</u>	
End of year		<u>\$ 750,913</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, 2018**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Service charges	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Current:			
Engineering and transportation	<u>14,691</u>	<u>-</u>	<u>14,691</u>
<b>Total expenditures</b>	<u>14,691</u>	<u>-</u>	<u>14,691</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (14,691)</u>	<u>-</u>	<u>\$ 14,691</u>
<b>FUND BALANCES:</b>			
Beginning of year		<u>14,148</u>	
End of year		<u>\$ 14,148</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, 2018**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ -	\$ 1,473,399	\$ 1,473,399
Receivables:			
Accounts	8,186	155,293	163,479
Interest	-	3,165	3,165
Total current assets	<u>8,186</u>	<u>1,631,857</u>	<u>1,640,043</u>
Noncurrent assets:			
Capital assets:			
Depreciable	15,590	4,873	20,463
Less accumulated depreciation	<u>(151)</u>	<u>(500)</u>	<u>(651)</u>
Total noncurrent assets	<u>15,439</u>	<u>4,373</u>	<u>19,812</u>
<b>Total Assets</b>	<u>23,625</u>	<u>1,636,230</u>	<u>1,659,855</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	8,948	17,238	26,186
Due to other funds	239,716		239,716
Compensated absences - due in one year	<u>5,886</u>	<u>10,021</u>	<u>15,907</u>
Total current liabilities	<u>254,550</u>	<u>27,259</u>	<u>281,809</u>
Non-current Liabilities:			
Compensated absences - due in more than one year	<u>59,514</u>	<u>101,327</u>	<u>160,841</u>
Total Liabilities	<u>314,064</u>	<u>128,586</u>	<u>442,650</u>
<b>NET POSITION</b>			
Net investment in capital asset	15,439	4,373	19,812
Unrestricted	<u>(305,878)</u>	<u>1,503,271</u>	<u>1,197,393</u>
<b>Total Net Position</b>	<u>\$ (290,439)</u>	<u>\$ 1,507,644</u>	<u>\$ 1,217,205</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, 2018**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,053,829	\$ 360,463	\$ 1,414,292
Licenses and permits	-	354,339	354,339
Other operating revenue	2,879	9,682	12,561
<b>Total operating revenues</b>	<b>1,056,708</b>	<b>724,484</b>	<b>1,781,192</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	744,309	668,556	1,412,865
Contractual and other services	213,429	126,875	340,304
Material and supplies	38,818	28,073	66,891
Other operating costs	415,673	271,670	687,343
Depreciation	28	58	86
<b>Total operating expenses</b>	<b>1,412,257</b>	<b>1,095,232</b>	<b>2,507,489</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(355,549)</b>	<b>(370,748)</b>	<b>(726,297)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	(14)	7,024	7,010
Intergovernmental	-	296,046	296,046
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(14)</b>	<b>303,070</b>	<b>303,056</b>
<b>INCOME (LOSS) BEFORE TRANSFERS:</b>	<b>(355,563)</b>	<b>(67,678)</b>	<b>(423,241)</b>
Transfers in	-	132,782	132,782
<b>Change in net position</b>	<b>(355,563)</b>	<b>65,104</b>	<b>(290,459)</b>
<b>NET POSITION:</b>			
Beginning of year	65,124	1,442,540	1,507,664
End of year	\$ (290,439)	\$ 1,507,644	\$ 1,217,205

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2018**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,057,944	\$ 631,288	\$ 1,689,232
Cash received from other funds	239,716	-	239,716
Cash payments to suppliers and service providers	(670,820)	(453,802)	(1,124,622)
Cash payments to employees for services	(730,276)	(641,782)	(1,372,058)
<b>Net cash provided (used) by operating activities</b>	<b>(103,436)</b>	<b>(464,296)</b>	<b>(567,732)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Intergovernmental revenue received	-	296,046	296,046
Transfers in from other funds	-	132,782	132,782
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>428,828</b>	<b>428,828</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Change in market values of investments	(14)	(6,535)	(6,549)
Interest income	-	12,221	12,221
<b>Net cash provided (used) by investing activities</b>	<b>(14)</b>	<b>5,686</b>	<b>5,672</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(103,450)</b>	<b>(29,782)</b>	<b>(133,232)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	103,450	1,503,181	1,606,631
End of year	\$ -	\$ 1,473,399	\$ 1,473,399
<b>RECONCILIATION OR OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (355,549)	\$ (370,748)	\$ (726,297)
Depreciation	28	58	86
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,236	(93,196)	(91,960)
(Decrease) increase in accounts payable	(2,900)	(27,184)	(30,084)
(Decrease) increase due to other funds	239,716		239,716
(Decrease) increase in compensated absences	14,033	26,774	40,807
<b>Total adjustments</b>	<b>(103,436)</b>	<b>(464,296)</b>	<b>(567,732)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (103,436)</b>	<b>\$ (464,296)</b>	<b>\$ (567,732)</b>

## 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, 2018**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>ASSETS</b>					
Cash and investments	\$ 2,573,203	\$ 1,639,808	\$ 8,801,467	\$ 1,236,271	\$ 14,250,749
Receivables:					
Accounts	85	300	-	-	385
Interest	5,713	3,144	20,249	1,838	30,944
Inventory	38,576	15,192	-	147,035	200,803
Total current assets	<u>2,617,577</u>	<u>1,658,444</u>	<u>8,821,716</u>	<u>1,385,144</u>	<u>14,482,881</u>
Capital assets:					
Depreciable	62,563	5,856,840	-	10,746,710	16,666,113
Less accumulated depreciation	(13,948)	(5,780,258)	-	(5,863,795)	(11,658,001)
Total Net capital assets	<u>48,615</u>	<u>76,582</u>	<u>-</u>	<u>4,882,915</u>	<u>5,008,112</u>
Total noncurrent assets	<u>48,615</u>	<u>76,582</u>	<u>-</u>	<u>4,882,915</u>	<u>5,008,112</u>
<b>Total Assets</b>	<u>2,666,192</u>	<u>1,735,026</u>	<u>8,821,716</u>	<u>6,268,059</u>	<u>19,490,993</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	242,751	80,745	37,429	507,491	868,416
Other liabilities	-	-	66,369	-	66,369
Claims and judgments - due in one year	-	-	1,170,645	-	1,170,645
Compensated absences payable - due in one year	4,677	8,592	651	1,138	15,058
Total current liabilities	<u>247,428</u>	<u>89,337</u>	<u>1,275,094</u>	<u>508,629</u>	<u>2,120,488</u>
Noncurrent Liabilities:					
Claims and judgments - due in more than one year	-	-	5,427,699	-	5,427,699
Compensated absences - due in more than one year	47,294	86,870	6,581	11,505	152,250
Total noncurrent liabilities	<u>47,294</u>	<u>86,870</u>	<u>5,434,280</u>	<u>11,505</u>	<u>5,579,949</u>
<b>Total Liabilities</b>	<u>294,722</u>	<u>176,207</u>	<u>6,709,374</u>	<u>520,134</u>	<u>7,700,437</u>
<b>NET POSITION</b>					
Net investment in capital assets	48,615	76,582	-	4,882,915	5,008,112
Unrestricted	2,322,855	1,482,237	2,112,342	865,010	6,782,444
<b>Total Net Position</b>	<u>\$ 2,371,470</u>	<u>\$ 1,558,819</u>	<u>\$ 2,112,342</u>	<u>\$ 5,747,925</u>	<u>\$ 11,790,556</u>

**City of San Leandro**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2018**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 3,590,449	\$ 4,409,288	\$ 4,059,121	\$ 4,691,854	\$ 16,750,712
Other operating revenues	2,999	-	63,887	217,682	284,568
<b>Total Operating Revenues</b>	<b>3,593,448</b>	<b>4,409,288</b>	<b>4,123,008</b>	<b>4,909,536</b>	<b>17,035,280</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	974,868	1,722,506	219,698	557,967	3,475,039
Contractual and other services	1,769,361	1,456,896	4,068,268	399,452	7,693,977
Materials and supplies	199,232	60,020	243	595,663	855,158
Depreciation	2,355	122,230	-	742,930	867,515
Other operating costs	432,399	1,007,820	100,860	384,608	1,925,687
<b>Total Operating Expenses</b>	<b>3,378,215</b>	<b>4,369,472</b>	<b>4,389,069</b>	<b>2,680,620</b>	<b>14,817,376</b>
<b>OPERATING INCOME (LOSS)</b>	<b>215,233</b>	<b>39,816</b>	<b>(266,061)</b>	<b>2,228,916</b>	<b>2,217,904</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	12,968	6,424	81,546	4,496	105,434
Interest expense	-	-	-	(4,612)	(4,612)
<b>Total nonoperating revenues (expenses)</b>	<b>12,968</b>	<b>6,424</b>	<b>81,546</b>	<b>(116)</b>	<b>100,822</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>228,201</b>	<b>46,240</b>	<b>(184,515)</b>	<b>2,228,800</b>	<b>2,318,726</b>
<b>TRANSFERS:</b>					
Transfers in	-	-	-	47,932	47,932
<b>Change in net position</b>	<b>228,201</b>	<b>46,240</b>	<b>(184,515)</b>	<b>2,276,732</b>	<b>2,366,658</b>
<b>NET POSITION:</b>					
Beginning of the year	2,143,269	1,512,579	2,296,857	3,471,193	9,423,898
End of the year	<u>\$ 2,371,470</u>	<u>\$ 1,558,819</u>	<u>\$ 2,112,342</u>	<u>\$ 5,747,925</u>	<u>\$ 11,790,556</u>

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2018**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$ 5,558	\$ 1,353	\$ 358,011	\$ 218,089	\$ 583,011
Receipts from interfund charges	3,590,449	4,444,748	4,059,121	4,691,854	16,786,172
Cash payments to suppliers and service providers	(2,316,967)	(2,562,552)	(3,618,591)	(950,751)	(9,448,861)
Cash payments to employees for services	(950,345)	(1,732,376)	(147,084)	(557,447)	(3,387,252)
<b>Net cash provided (used) by operating activities</b>	<b>328,695</b>	<b>151,173</b>	<b>651,457</b>	<b>3,401,745</b>	<b>4,533,070</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers in from other funds	-	-	-	47,932	47,932
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,932</b>	<b>47,932</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(8,968)	(1)	-	(2,175,492)	(2,184,461)
Principal paid on capital debt	-	-	-	(240,353)	(240,353)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(8,968)</b>	<b>(1)</b>	<b>-</b>	<b>(2,415,845)</b>	<b>(2,424,814)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Change in market values of investments	(11,766)	(6,546)	(41,737)	(3,798)	(63,847)
Interest income	22,108	12,013	114,229	7,539	155,889
Interest expense	-	-	-	(4,612)	(4,612)
<b>Cash Flows from Investing Activities</b>	<b>10,342</b>	<b>5,467</b>	<b>72,492</b>	<b>(871)</b>	<b>87,430</b>
<b>Net Cash Flows</b>	<b>330,069</b>	<b>156,639</b>	<b>723,949</b>	<b>1,032,961</b>	<b>2,243,618</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	2,243,134	1,483,169	8,077,518	203,310	12,007,131
Cash and investments at end of year	<u>\$ 2,573,203</u>	<u>\$ 1,639,808</u>	<u>\$ 8,801,467</u>	<u>\$ 1,236,271</u>	<u>\$ 14,250,749</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 215,233	\$ 39,816	\$ (266,061)	\$ 2,228,916	\$ 2,217,904
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,355	122,230	-	742,930	867,515
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,559	1,353	294,124	407	298,443
(Increase) decrease in inventory	-	35,460	-	19,005	54,465
(Decrease) increase in accounts payable	84,025	(37,816)	1,505	409,967	457,681
(Decrease) increase in other liabilities	-	-	66,369	-	66,369
(Decrease) increase in claims and judgments payable	-	-	549,275	-	549,275
(Decreased) increase in compensated absences	24,523	(9,870)	6,245	520	21,418
<b>Total cash provided (used) by operating activities</b>	<b>\$ 328,695</b>	<b>\$ 151,173</b>	<b>\$ 651,457</b>	<b>\$ 3,401,745</b>	<b>\$ 4,533,070</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 Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

	<u>Deposits</u>	<u>Cherrywood</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,048,095	\$ 1,036,809	\$ 3,084,904
Cash and investments with fiscal agents	-	452,237	452,237
Accounts receivable	-	1,489	1,489
Interest receivable	-	860	860
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<u>\$ 2,048,095</u>	<u>\$ 1,491,395</u>	<u>\$ 3,539,490</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 43,755	\$ -	\$ 43,755
Deposits payable	2,004,340	-	2,004,340
Due to bondholders	-	1,491,395	1,491,395
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u>\$ 2,048,095</u>	<u>\$ 1,491,395</u>	<u>\$ 3,539,490</u>

**City of San Leandro**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>Deposits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,878,236	\$ 290,107	\$ 120,248	\$ 2,048,095
Accounts receivable	7,013	-	7,013	-
<b>Total assets</b>	<b>\$ 1,885,249</b>	<b>\$ 290,107</b>	<b>\$ 127,261</b>	<b>\$ 2,048,095</b>
<b>Liabilities:</b>				
Accounts payable	\$ 120,248	\$ 43,755	\$ 120,248	\$ 43,755
Deposits payable	1,765,001	246,352	7,013	2,004,340
<b>Total liabilities</b>	<b>\$ 1,885,249</b>	<b>\$ 290,107</b>	<b>\$ 127,261</b>	<b>\$ 2,048,095</b>
<b><u>Cherrywood</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,022,443	\$ 14,366	\$ -	\$ 1,036,809
Cash and investments with fiscal agent	449,160	3,077	-	452,237
Accounts receivable	2,070	1,489	2,070	1,489
Interest receivable	522	860	522	860
<b>Total assets</b>	<b>\$ 1,474,195</b>	<b>\$ 19,792</b>	<b>\$ 2,592</b>	<b>\$ 1,491,395</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,474,195	\$ 19,792	\$ 2,592	\$ 1,491,395
<b>Total liabilities</b>	<b>\$ 1,474,195</b>	<b>\$ 19,792</b>	<b>\$ 2,592</b>	<b>\$ 1,491,395</b>
<b><u>All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,900,679	\$ 304,473	\$ 120,248	\$ 3,084,904
Cash and investments with fiscal agent	449,160	3,077	-	452,237
Accounts receivable	9,083	1,489	9,083	1,489
Interest receivable	522	860	522	860
<b>Total assets</b>	<b>\$ 3,359,444</b>	<b>\$ 309,899</b>	<b>\$ 129,853</b>	<b>\$ 3,539,490</b>
<b>Liabilities:</b>				
Accounts payable	\$ 120,248	\$ 43,755	\$ 120,248	\$ 43,755
Deposits payable	1,765,001	246,352	7,013	2,004,340
Due to bondholders	1,474,195	19,792	2,592	1,491,395
<b>Total liabilities</b>	<b>\$ 3,359,444</b>	<b>\$ 309,899</b>	<b>\$ 129,853</b>	<b>\$ 3,539,490</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>153</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>161</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>171</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>177</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>181</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

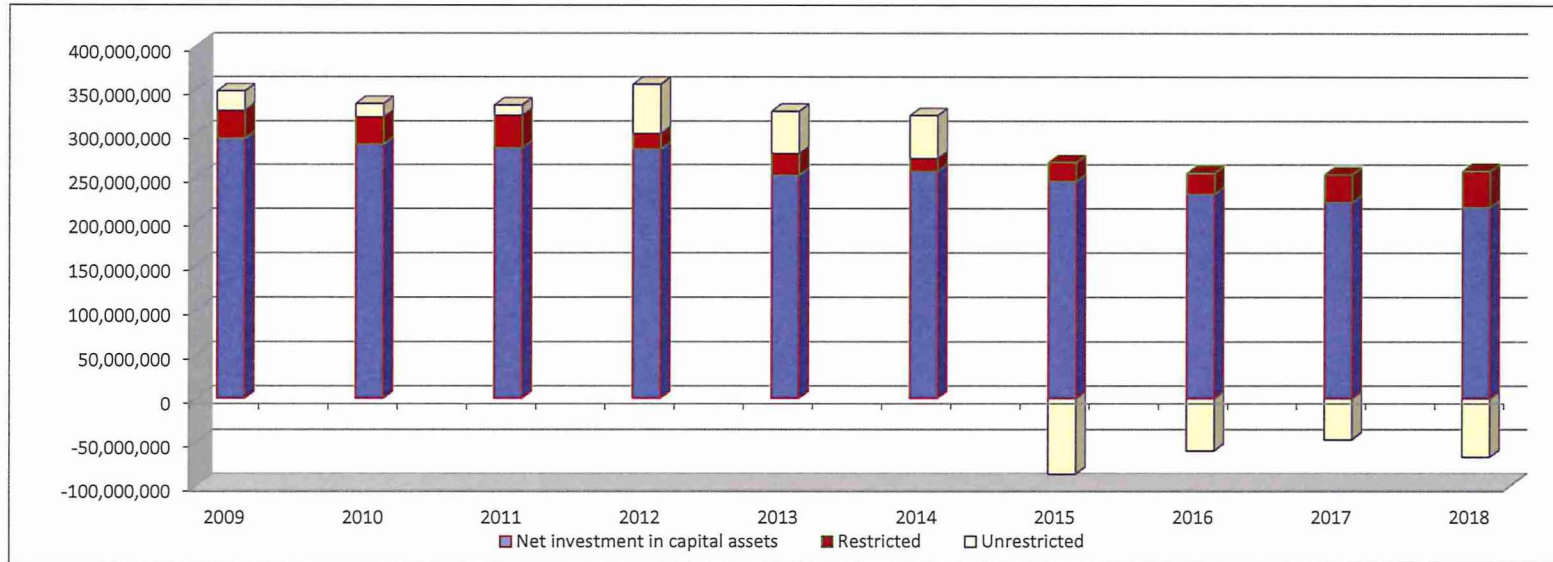
Program Revenues by Function / Program - Last Ten Fiscal Years

Fund Balances of Governmental Funds - Last Ten Fiscal Years

General Governmental Revenues 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)



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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 281,144,018	\$ 267,302,013	\$ 256,542,629	\$ 251,252,877	\$ 219,701,797	\$ 225,401,873	\$ 212,967,616	\$ 200,560,064	\$ 190,556,178	\$ 181,178,754
Restricted	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626	23,680,435	31,647,662	41,104,032
Unrestricted	1,326,488	(2,174,696)	(3,737,046)	42,585,608	33,524,445	28,282,857	(98,955,552)	(77,776,029)	(67,544,332)	(84,962,486)
<b>Total Governmental Activities Net Position</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>\$ 146,464,470</b>	<b>\$ 154,659,508</b>	<b>\$ 137,320,300</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 12,992,419	\$ 20,162,046	\$ 26,832,033	\$ 30,737,068	\$ 32,979,235	\$ 31,512,875	\$ 32,505,629	\$ 30,434,444	\$ 31,056,113	\$ 34,872,307
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	20,122,930	17,044,724	15,133,537	13,097,006	15,002,725	21,031,537	12,609,167	18,050,170	20,616,425	17,962,702
<b>Total Business-Type Activities Net Position</b>	<b>\$ 33,115,349</b>	<b>\$ 37,206,770</b>	<b>\$ 41,965,570</b>	<b>\$ 43,834,074</b>	<b>\$ 47,981,960</b>	<b>\$ 52,544,412</b>	<b>\$ 45,114,796</b>	<b>\$ 48,484,614</b>	<b>\$ 51,672,538</b>	<b>\$ 52,835,009</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 294,136,437	\$ 287,464,059	\$ 283,374,662	\$ 281,989,945	\$ 252,681,032	\$ 256,914,748	\$ 245,473,245	\$ 230,994,508	\$ 221,612,291	\$ 216,051,061
Restricted	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626	23,680,435	31,647,662	41,104,032
Unrestricted	21,449,418	14,870,028	11,396,491	55,682,614	48,527,170	49,314,394	(86,346,385)	(59,725,859)	(46,927,907)	(66,999,784)
<b>Total Governmental Activities Net Position</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>	<b>\$ 194,949,084</b>	<b>\$ 206,332,046</b>	<b>\$ 190,155,309</b>

Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Statement of Net Position

Note: (1) Large negative amount in 2015 is due to the implementation of GASB 68.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 16,572,072	\$ 11,989,774	\$ 10,759,754	\$ 10,238,787	\$ 13,166,855	\$ 11,609,391	\$ 10,896,679	\$ 7,923,300	\$ 8,524,377	\$ 13,658,584
Public safety	44,229,183	45,063,334	45,936,832	43,574,011	45,465,294	47,180,237	47,989,126	52,944,433	54,510,194	64,971,782
Engineering & Transportation	15,101,806	18,209,182	22,720,292	23,903,746	25,662,305	31,712,176	30,566,925	31,476,280	28,124,152	32,933,260
Recreation & Culture	11,416,088	9,906,448	11,042,582	9,894,015	11,586,223	11,786,787	11,667,158	13,824,385	13,228,291	14,756,277
Community Development	28,119,209	24,202,918	17,541,521	8,178,377	4,904,402	5,389,381	5,704,907	6,840,393	8,134,895	10,216,834
Interest on long-term debt	5,349,826	4,525,710	4,182,409	2,317,753	2,548,119	2,097,257	2,156,400	1,764,322	2,218,025	1,677,316
Total governmental activities expenses	120,788,184	113,897,366	112,183,390	98,106,689	103,333,198	109,775,229	108,981,195	114,773,113	114,739,934	138,214,053
<b>Business-type activities:</b>										
Water Pollution Control	9,248,677	6,231,639	5,856,452	8,395,692	7,499,555	7,978,058	8,802,564	13,534,488	10,795,950	12,184,473
Shoreline	2,244,002	2,180,794	1,997,753	1,848,428	1,861,532	1,922,489	1,691,932	1,839,667	1,754,842	1,786,193
Storm Water Utility	993,330	886,379	844,604	919,998	978,816	1,078,252	1,105,054	1,212,469	1,106,011	1,412,257
Environmental Services	1,544,564	1,348,181	1,333,145	1,222,543	1,175,257	1,027,054	1,189,388	1,189,985	1,065,885	1,095,232
Total business-type activities expenses	14,030,573	10,646,993	10,031,954	12,386,661	11,515,160	12,005,853	12,619,938	17,776,609	14,722,688	16,478,155
<b>Total primary government expenses</b>	<b>134,818,757</b>	<b>124,544,359</b>	<b>122,215,344</b>	<b>110,493,350</b>	<b>114,848,358</b>	<b>121,781,082</b>	<b>121,601,133</b>	<b>132,549,722</b>	<b>129,462,622</b>	<b>154,692,208</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
General government										
Property taxes	27,654,817	27,087,224	26,720,790	22,357,186	17,631,582	18,514,127	18,898,038	20,044,219	20,858,027	22,994,212
Sales taxes	19,095,799	17,594,934	21,811,494	24,126,105	26,304,583	29,097,614	32,948,155	42,336,643	41,727,835	42,990,223
Franchise Fees	4,125,705	4,005,464	4,124,846	4,231,420	4,444,251	4,581,920	4,845,086	4,968,614	5,102,904	5,269,391
Utility Users Tax	10,103,090	9,783,055	9,932,893	9,968,546	9,888,123	10,157,762	10,359,050	10,807,581	10,975,234	10,719,315
Property Transfer Tax	2,870,441	2,297,145	2,528,604	2,981,685	2,956,419	3,282,026	4,112,030	4,460,568	5,459,316	5,176,403
911 Communication Access Tax	-	2,711,671	2,694,149	2,684,591	2,723,255	2,804,181	2,974,313	2,917,993	2,890,302	3,035,256
Other taxes	294,496	333,079	381,122	555,988	591,016	652,866	733,867	811,619	907,651	1,008,115
Motors Vehicle License Fees	278,615	242,416	506,280	42,294	44,112	36,768	35,936	-	-	-
Investment	3,025,658	1,419,378	1,300,123	1,098,406	919,213	1,255,043	1,191,893	1,882,764	1,560,277	1,691,972
Community Impact Reimbursement	-	3,100,000	-	-	-	-	-	-	-	-
Miscellaneous	1,597,574	599,189	1,158,044	988,126	962,356	514,851	825,082	4,225,123	1,702,501	5,426,862
Gain on sale of assets	-	-	20,914	3,353	393,741.00	16,196	6,902	7,060	3,004	1,020,970
Transfers	85,874	(67,942)	240,484	234,349	(72,135)	-	-	25,000	-	187,921
Charges for Service	15,971,619	12,568,443	17,062,792	12,200,726	13,735,756	14,989,867	16,063,276	16,552,308	16,956,990	18,674,955
Capital grants and contributions	8,590,057	10,830,576	6,581,532	11,416,356	7,216,114	10,009,842	10,516,591	11,421,781	9,456,976	9,394,883
Operating grants and contributions	3,490,973	4,224,429	3,783,171	5,585,461	5,672,929	4,529,539	8,038,949	5,557,620	5,333,955	6,579,225
Total Governmental activities program revenues	97,184,718	96,729,061	98,847,238	98,474,592	93,411,315	100,442,602	111,549,168	126,018,893	122,934,972	134,169,703
<b>Business-type activities:</b>										
Charges for services	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395	16,878,752	15,991,142	16,858,465	16,368,849
Capital Grants and Contributions	-	-	-	-	-	-	-	-	243,304	369,087
Other taxes	296,184	233,880	257,977	323,430	360,246	417,231	477,190	520,321	629,411	806,392
Investment Earnings	928,796	454,893	167,407	141,980	209,659	264,904	259,724	425,834	179,432	284,219
Miscellaneous	532,897	265,091	338,196	418,969	207,795	250,775	268,689	4,234,130	-	-
Gain or loss on sale of assets	-	-	-	(1,290,470)	-	-	-	-	-	-
Transfers	(85,874)	67,942	(240,484)	(234,349)	72,135	-	-	(25,000)	-	(187,921)
Total Business activities program revenues	15,947,138	14,738,414	14,790,754	14,255,164	15,663,046	16,568,305	17,884,355	21,146,427	17,910,612	17,640,626
<b>Total primary government program revenues</b>	<b>113,131,856</b>	<b>111,467,475</b>	<b>113,637,992</b>	<b>112,729,756</b>	<b>109,074,361</b>	<b>117,010,907</b>	<b>129,433,523</b>	<b>147,165,320</b>	<b>140,845,584</b>	<b>151,810,329</b>
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,123,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses):</b>										
Governmental Activities	(23,603,466)	(17,168,305)	(13,336,152)	367,903	(9,921,883)	(9,332,627)	2,567,973	11,245,780	8,195,038	(4,044,350)
Business-type activities	1,916,565	4,091,421	4,758,800	1,868,503	4,147,886	4,562,452	5,264,417	3,369,818	3,187,924	1,162,471
Total net revenues (expenses)	\$ (21,686,901)	\$ (13,076,884)	\$ (8,577,352)	\$ 2,236,406	\$ (5,773,997)	\$ (4,770,175)	\$ 7,832,390	\$ 14,615,598	\$ 11,382,962	\$ (2,881,879)

Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Statement of Activities

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

Program / Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>										
General Government	\$ 4,871,544	\$ 5,342,619	\$ 5,242,934	\$ 7,367,750	\$ 7,436,918	\$ 7,310,491	\$ 7,887,476	\$ 10,326,562	\$ 8,550,928	\$ 9,381,699
Public Safety	5,111,223	3,475,388	3,423,176	4,585,001	4,482,346	3,749,814	3,623,194	3,897,568	3,801,944	4,429,180
Engineering and transportation	11,376,411	13,195,059	7,469,186	10,661,253	6,723,903	9,607,387	8,668,597	10,897,823	10,772,477	11,825,335
Recreation and culture	3,414,103	3,614,696	4,368,731	4,551,617	4,022,452	5,114,524	4,493,916	4,385,376	4,062,763	3,605,783
Community development	3,279,368	1,995,686	6,923,466	2,036,922	3,959,180	3,747,032	9,945,633	4,024,380	4,559,809	5,407,066
Interest on long-term debt	5,349,826	4,525,710	4,182,409	2,317,753	-	-	-	-	-	-
Subtotal governmental activities	<u>\$ 33,402,475</u>	<u>\$ 32,149,158</u>	<u>\$ 31,609,902</u>	<u>\$ 31,520,296</u>	<u>\$ 26,624,799</u>	<u>\$ 29,529,248</u>	<u>\$ 34,618,816</u>	<u>\$ 33,531,709</u>	<u>\$ 31,747,921</u>	<u>\$ 34,649,063</u>
<b>Business-Type Activities</b>										
Water Pollution Control Plant	\$ 10,445,163	\$ 10,081,964	\$ 10,478,066	\$ 11,189,362	\$ 11,266,178	\$ 11,961,374	\$ 12,996,465	\$ 12,467,570	\$ 13,068,979	\$ 12,574,723
Shoreline	2,062,949	1,941,119	1,944,513	1,968,839	1,846,750	1,928,280	2,038,388	1,702,955	1,994,642	2,085,975
Storm Water Utility	1,052,608	1,079,178	1,098,114	1,078,455	1,086,070	1,072,146	1,070,154	1,093,460	1,084,122	1,056,708
Environmental Services	714,415	614,347	746,965	658,948	614,213	673,595	773,745	727,157	954,026	1,020,530
Subtotal business-type activities	<u>\$ 14,275,135</u>	<u>\$ 13,716,608</u>	<u>\$ 14,267,658</u>	<u>\$ 14,895,604</u>	<u>\$ 14,813,211</u>	<u>\$ 15,635,395</u>	<u>\$ 16,878,752</u>	<u>\$ 15,991,142</u>	<u>\$ 17,101,769</u>	<u>\$ 16,737,936</u>
<b>Total primary government</b>	<u>\$ 47,677,610</u>	<u>\$ 45,865,766</u>	<u>\$ 45,877,560</u>	<u>\$ 46,415,900</u>	<u>\$ 41,438,010</u>	<u>\$ 45,164,643</u>	<u>\$ 51,497,568</u>	<u>\$ 49,522,851</u>	<u>\$ 48,849,690</u>	<u>\$ 51,386,999</u>

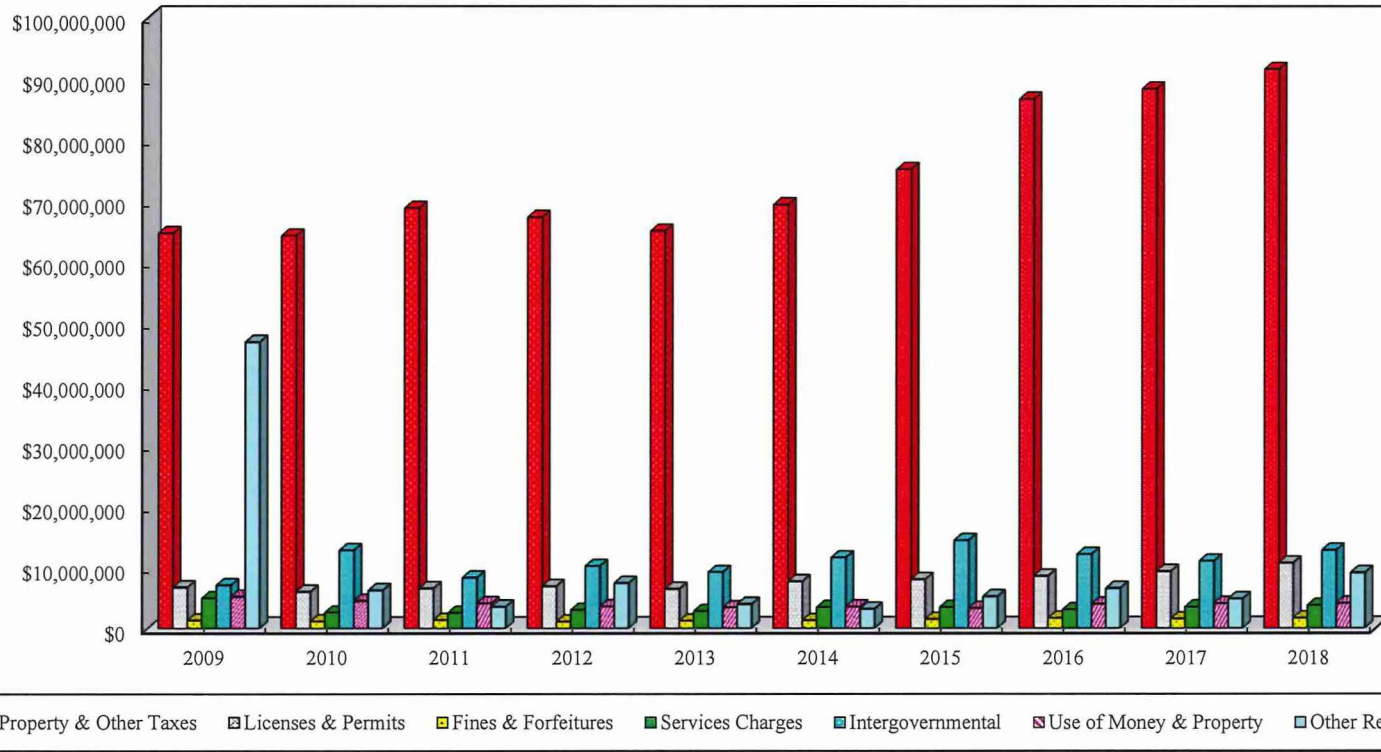
Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Statement of Activities

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Reserved	\$ 14,614,515	\$ 13,730,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	15,074,450	12,672,277	-	-	-	-	-	-	-	-
Nonspendable	-	-	10,377,840	10,147,160	10,147,160	10,147,160	13,849,630	14,448,674	12,552,626	11,267,706
Restricted	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Assigned	-	-	3,437,827	3,555,009	264,275	662,973	1,766,700	3,128,977	4,577,831	5,301,907
Unassigned	-	-	11,814,319	10,717,313	14,836,844	18,762,223	19,145,226	29,378,795	33,781,436	36,552,684
Total General Fund	<u>\$ 29,688,965</u>	<u>\$ 26,402,787</u>	<u>\$ 25,679,986</u>	<u>\$ 24,469,482</u>	<u>\$ 25,298,279</u>	<u>\$ 29,622,356</u>	<u>\$ 34,811,556</u>	<u>\$ 47,006,446</u>	<u>\$ 50,961,893</u>	<u>\$ 53,172,297</u>
All other governmental funds:										
Reserved	\$ 33,916,323	\$ 21,700,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:										
Special revenue funds	5,760,645	6,827,714	-	-	-	-	-	-	-	-
Capital projects funds	3,973,218.00	4,803,372	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,475,000	-	-	-	-	-	-	-
Restricted	-	-	33,274,967	17,809,532	17,417,246	16,083,695	22,590,294	25,002,605	32,364,776	41,104,032
Assigned	-	-	(948,387)	-	-	-	-	-	-	-
Unassigned	-	-	-	(132,601)	(1,646,590)	(1,712,654)	(1,383,668)	(1,322,170)	(717,114)	-
Total all other governmental funds	<u>\$ 43,650,186</u>	<u>\$ 33,331,299</u>	<u>\$ 34,801,580</u>	<u>\$ 17,676,931</u>	<u>\$ 15,770,656</u>	<u>\$ 14,371,041</u>	<u>\$ 21,206,626</u>	<u>\$ 23,680,435</u>	<u>\$ 31,647,662</u>	<u>\$ 41,104,032</u>
Total All Governmental Funds	<u>\$ 73,339,151</u>	<u>\$ 59,734,086</u>	<u>\$ 60,481,566</u>	<u>\$ 42,146,413</u>	<u>\$ 41,068,935</u>	<u>\$ 43,993,397</u>	<u>\$ 56,018,182</u>	<u>\$ 70,686,881</u>	<u>\$ 82,609,555</u>	<u>\$ 94,276,329</u>

Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Governmental Funds Balance Sheet  
Note: GASB 54 was implemented in fiscal year 2011 and onwards. Fund balances prior to fiscal year 2011 were not restated.

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



Fiscal Year	Property & Other Taxes	Licenses & Permits	Fines & Forfeitures	Service Charges	Intergovernmental	Use of Money & Property	Other Revenue	Total
2009	\$ 64,771,891	\$ 6,768,204	\$ 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
2016	86,735,605	8,594,731	1,685,098	3,099,475	12,191,846	4,023,537	6,587,487	122,917,779
2017	88,391,366	9,348,195	1,572,898	3,543,567	11,078,666	4,117,990	4,882,290	122,934,972
2018	91,648,512	10,726,515	1,688,351	3,790,985	12,843,102	4,145,901	9,138,416	133,981,782

Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Property and other taxes	\$ 64,771,891	\$ 64,359,726	\$ 68,879,116	\$ 67,388,968	\$ 65,125,564	\$ 69,453,813	\$ 75,226,114	\$ 86,735,605	\$ 88,391,366	\$ 91,648,512
Licenses and permits	6,768,204	6,027,904	6,585,076	6,940,678	6,482,902	7,700,470	8,041,005	8,594,731	9,348,195	10,726,515
Fines and forfeitures	1,296,568	1,149,193	1,377,230	1,110,669	1,237,354	1,302,814	1,524,570	1,685,098	1,572,898	1,688,351
Service charges	4,977,492	2,627,851	2,593,610	3,051,084	2,830,649	3,492,225	3,489,068	3,099,475	3,543,567	3,790,985
Intergovernmental	7,106,997	12,853,697	8,351,105	10,246,859	9,233,120	11,640,820	14,476,306	12,191,846	11,078,666	12,843,102
Use of money and property	5,244,637	4,558,887	4,152,296	3,645,827	3,445,104	3,582,413	3,340,946	4,023,537	4,117,990	4,145,901
Intergovernmental	1,858,477	2,272,568	2,295,293	2,401,869	2,001,928	2,002,139	2,250,266	1,999,878	1,999,878	1,999,878
Other	5,542,756	4,012,703	1,294,092	5,054,650	2,009,829	1,212,971	3,007,806	4,587,609	2,882,412	7,138,538
<b>Total revenues</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>122,917,779</b>	<b>122,934,972</b>	<b>133,981,782</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	10,866,088	10,353,861	9,684,293	9,943,871	12,993,178	11,350,118	11,720,994	11,846,864	11,493,208	11,679,072
Public safety	45,409,707	45,420,060	43,727,641	68,789,652	46,437,960	46,983,838	49,441,422	52,258,892	54,732,167	60,034,363
Engineering and transportation	15,641,026	18,203,786	12,231,307	9,778,421	14,550,085	19,310,489	17,905,896	19,185,657	19,487,997	25,648,773
Recreation and culture	12,100,517	9,854,633	9,560,878	8,373,427	10,274,496	10,244,659	10,481,528	12,214,366	11,845,986	11,898,321
Community development	27,126,823	24,397,598	11,342,937	9,236,773	4,311,194	5,138,376	5,708,945	6,480,125	7,700,158	8,244,056
Capital Outlay	-	-	-	5,763,826	-	-	-	-	-	-
<b>Debt service:</b>										
Principal	3,372,481	3,305,968	3,175,797	3,511,866	1,577,051	2,271,828	2,524,833	2,549,397	18,960,762	3,206,330
Interest and fees	4,917,152	4,578,463	4,247,973	3,043,070	2,605,761	2,163,895	2,299,286	1,963,779	2,196,157	1,744,082
<b>Total expenditures</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>106,499,080</b>	<b>126,416,435</b>	<b>122,454,997</b>
<b>Excess (deficiency of revenues over (under) expenditures</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>16,418,699</b>	<b>(3,481,463)</b>	<b>11,526,785</b>
<b>Other financing Sources (uses):</b>										
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding of bonds	-	-	-	-	(9,817,009)	-	-	-	-	-
Payment to refunded bonds escrows agents	-	-	-	-	-	-	-	-	-	-
Transfers in	11,774,023	8,598,106	8,290,220	6,029,970	577,000	776,000	2,604,156	3,877,017	4,193,000	10,345,878
Transfers out	(9,615,363)	(6,913,048)	(9,099,736)	(5,775,621)	(1,606,599)	(776,000)	(2,604,156)	(5,627,017)	(10,453,000)	(10,205,889)
Bonds Proceeds	27,725,655	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	2,500,000	-	-	-	-	-	-	-	-
Lease Proceeds	-	461,717	-	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	18,305,000	10,152,405	-	-	-	21,664,137	-
<b>Total other financing sources (uses)</b>	<b>29,884,315</b>	<b>4,646,775</b>	<b>(809,516)</b>	<b>18,559,349</b>	<b>(694,203)</b>	<b>-</b>	<b>-</b>	<b>(1,750,000)</b>	<b>15,404,137</b>	<b>139,989</b>
<b>Prior period restatement</b>	<b>-</b>	<b>-</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>\$ 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>\$ 14,668,699</b>	<b>\$ 11,922,674</b>	<b>\$ 11,666,774</b>
<b>Debt Services as a percentage of noncapital expenditures</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>	<b>4.39%</b>	<b>17.40%</b>	<b>4.32%</b>

Sources: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances  
City of San Leandro Comprehensive Annual Financial Report (CAFR) - Reconciliation of the Net Change in Fund Balances - Total Government Funds with the Statement of Activities





## **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 Three Fiscal Year

Principal Property Tax Payers - Current Fiscal Year and Nine Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

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

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

Sewer Rates - Last Ten Fiscal Years

Number of Permits and Valuation of Taxable Transactions - Last Ten Calendar Years

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Basic City and County Levy										
City of San Leandro	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681
County of Alameda	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319
<b>Total Basic Levy</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>
Override Assessments										
San Leandro Unified School Bond	0.069900	0.077100	0.089700	0.110800	0.108500	0.118800	0.131000	0.121500	0.117900	0.140600
Chabot-Las Positas College Bond	0.018300	0.019500	0.021100	0.021400	0.021900	0.021400	0.021700	0.019800	0.024600	0.044500
Bay Area Rapid Transit	0.010000	0.010800	0.008400	0.007100	0.005100	0.007500	0.004500	0.002600	0.008000	0.008400
East Bay Regional Park	0.009000	0.005700	0.003100	0.004100	0.004300	0.007800	0.008500	0.006700	0.003200	0.002100
<b>Total Override Rate</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>	<b>0.150600</b>	<b>0.153700</b>	<b>0.195600</b>
<b>Total Tax Rate</b>	<b>1.107200</b>	<b>1.113100</b>	<b>1.122300</b>	<b>1.143400</b>	<b>1.139800</b>	<b>1.155500</b>	<b>1.165700</b>	<b>1.150600</b>	<b>1.153700</b>	<b>1.195600</b>

Sources

- 1) County Auditor/Controller data, Avenu Insights & Analytics
- 2) 2011-12 and prior, previously published CAFR Report

Note: TRAs 10-001 is represented for this report.

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	Total Tax Rate (1)	Taxable Assessed Value	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2009	\$ 5,728,648	\$ 142,161	\$ 113,699	\$ 5,757,110	\$ 3,337,069	\$ 396,034	\$ 66,847	\$ 3,666,256	-	\$ 9,423,366	\$ -	-
2010	5,659,301	162,942	120,044	5,702,199	3,593,007	393,869	87,613	3,899,263	-	9,601,462	-	-
2011	5,502,600	175,345	108,033	5,569,912	3,599,645	395,243	110,812	3,884,076	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	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	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	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	1.3252
2016	7,795,139	197,971	178,848	7,814,262	3,899,194	371,143	892,306	3,378,031	1.1657	11,192,293	15,938,474	1.4241
2017	8,243,336	235,839	334,516	8,144,659	3,995,308	404,452	851,651	3,548,110	1.1537	11,692,768	20,767,772	1.7761
2018	8,775,315	229,625	319,941	8,684,999	4,195,622	413,077	880,570	3,728,128	1.1956	12,413,128	18,025,239	1.4521

Source: County Assessor Data, Avenu Insights & Analytics  
 Source: 2010-11 and prior, previously published CAFR Report  
 Table has been restated from previous years to show city and successor agency values exclusively  
 Table does not include state unitary value of \$2,702,056

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 Three Fiscal Year**

<b>Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Residential	\$ 7,356,513,744	\$ 7,821,980,485	\$ 8,296,777,137
Industrial	1,950,631,782	1,986,123,545	2,074,436,546
Commercial	1,260,959,808	1,300,649,480	1,392,380,761
Vacant	1,024,907,890	1,046,767,041	1,113,483,702
Institution	77,698,430	79,864,033	88,285,180
Recreation	4,232,993	3,256,676	5,570,897
Unknown	19,387,974	2,529	2,504
Net Secured Value	11,694,332,621	12,238,643,789	12,970,936,727
Unsecured	569,114,530	640,291,329	642,702,645
Exemptions	1,071,154,402	1,186,166,647	1,200,511,766
Net Assessed Value	<u>\$ 11,192,292,749</u>	<u>\$ 11,692,768,471</u>	<u>\$ 12,413,127,606</u>

Source: County Assessor data, Avenu Insights & Analytics

Use code categories are based on County Assessor's data

Note: Secured Property does not includes state unitary value of \$1,702,056.

City of San Leandro  
Principal Property Tax Payers  
June 30, 2018  
Current Fiscal Year and Nine Years Ago

Taxpayer	2018			2009		
	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Amb Sgp Cif I LLC	1	\$ 191,854,280	1.55%	1	\$ 126,977,089	1.29%
Ghirardelli Chocolate Company	2	118,510,488	0.95%	2	99,741,907	1.01%
Kaiser Foundation Hospitals	3	115,372,821	0.93%	3	98,105,867	0.99%
Bci Coca Cola Bottling Co Of L	4	86,874,345	0.70%	5	58,181,164	0.59%
Waste Mgmt Of Alameda County I	5	85,582,369	0.69%	17	28,178,639	0.29%
Bpp Pacific Industrial Ca Reit	6	80,444,899	0.65%			
Mm Pg Bayfair Properties LLC	7	78,782,745	0.63%			
Safeway Stores Inc..	8	72,543,259	0.58%	9	35,595,384	0.36%
Wl Westgate Venture LLC	9	57,731,912	0.47%			
Sltc LLC	10	56,706,878	0.46%			
Prologis Uslv Newca 7 LLC	11	52,111,463	0.42%			
Chill Build San Leandro LLC	12	52,087,442	0.42%			
Creekside Plaza Partners LLC	13	46,045,684	0.37%			
Bigge Crane Rigging Co A Corp	14	45,104,243	0.36%	12	33,486,823	0.34%
Gateway Buena Park Inc.	15	39,437,374	0.32%	10	34,846,830	0.35%
21St Amendment Brewery Cafe	16	39,248,280	0.32%			
Georgia Pacific Corrugated LLC	17	36,047,526	0.29%	11	34,253,273	0.35%
D C 1717 Doolittle Sub LLC	18	34,202,839	0.28%			
Fpa Woodchase Apts LLC	19	32,103,616	0.26%	15	28,434,000	0.29%
World Savings Loan Assoc	20	31,986,837	0.26%	20	23,459,882	0.24%
Brcp San Leandro Industrial LI	21	29,185,975	0.24%	22	21,930,000	0.22%
General Foods Corp	22	29,014,837	0.23%	6	57,477,865	0.58%
Pk I Fashion Faire Place Lp	23	29,012,183	0.23%	19	25,635,354	0.26%
Balco Properties Ltd. LLC	24	27,246,166	0.22%			
Lit Envlp L P	25	26,550,000	0.21%			
Batarse Anthony A Jr Tr				8	38,332,791	0.39%
City Of San Leandro				13	29,295,090	0.30%
Emerald Properties				14	28,705,338	0.29%
Heritage Associates Llc Etal				21	21,949,491	0.22%
Lakeside Village Associates				18	25,787,600	0.26%
Madison Bay Fair LLC				4	73,050,940	0.74%
Peterson Power Systms Inc.				16	28,384,689	0.29%
Price Company				25	20,723,974	0.21%
Skb Westgate Investments Llc &				7	46,121,103	0.47%
Target Corporation				24	20,960,552	0.21%
Wri Greenhouse L P				23	21,045,920	0.21%
Total Top 25 Taxpayers		1,493,788,461	12.03%		1,060,661,565	10.74%
Total Taxable Value		\$ 12,413,127,606	100.00%		\$ 9,874,461,606	100.00%

Source: County Assessor data, Avenu Insights & Analytics

**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
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	9,452,077	97.68%
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%
2016	11,326,738	10,897,360	96.21%	191,132	165,626	11,254,119	99.36%
2017	11,817,732	11,631,783	98.43%	133,429	1,604,861	13,370,073	113.14%
2018	12,566,402	12,399,772	98.67%	84,584	2,559,564	15,043,920	119.72%

Source: Alameda County Auditor-Controller's Office

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

	2018 Q1	2017 Q1	2016 Q1	2015 Q1	2014 Q1	2013 Q1	2012 Q1	2011 Q1	2010 Q1
Accommodation and Food Services	\$ 2,121,239	\$ 1,929,329	\$ 1,787,395	\$ 1,566,105	\$ 1,451,555	\$ 1,263,850	\$ 1,182,256	\$ 1,120,628	\$ 1,080,232
Administrative and Support and Waste Management and Remediation Services	73,027	76,806	82,774	76,355	105,843	104,404	88,469	54,273	52,857
Agriculture, Forestry, Fishing and Hunting	149	297	1,036	1,092	-	400	170	-	47
Arts, Entertainment, and Recreation	14,563	14,357	15,507	12,787	10,297	11,416	89,573	94,935	84,758
Construction	272,460	202,764	288,552	242,706	252,394	175,306	176,314	137,611	146,653
Educational Services	4,460	5,638	6,002	5,426	5,232	4,806	6,084	8,093	9,086
Finance and Insurance	(698)	(525)	(239)	(192)	(86)	(572)	(2,760)	714	(921)
Health Care and Social Assistance	46,263	51,783	42,641	21,247	13,771	18,348	28,249	18,032	15,844
Information	139,384	144,180	158,250	211,884	199,451	174,757	180,373	150,896	154,657
Management of Companies and Enterprises	-	400	-	-	5	-	-	-	-
Manufacturing	805,953	871,613	1,078,414	1,062,260	980,354	963,869	958,905	816,814	839,626
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-	-	-	-
Other Services (except Public Administration)	433,409	393,780	388,661	325,338	289,129	241,930	225,783	210,714	216,986
Professional, Scientific, and Technical Services	62,642	83,872	70,284	88,222	80,356	83,039	60,276	73,896	63,147
Public Administration	31,140	12,312	16,431	16,675	9,222	5,409	6,941	7,795	(13,530)
Real Estate and Rental and Leasing	757,242	722,337	736,920	708,042	568,222	519,101	511,478	542,111	561,067
Retail Trade	14,662,760	14,199,277	13,409,864	12,484,644	12,335,109	11,636,202	11,270,517	10,220,607	9,655,197
Transportation and Warehousing	78,802	76,158	72,941	68,447	71,220	62,165	55,714	40,872	30,220
Utilities	-	-	-	-	-	-	(327)	-	21,634
Wholesale Trade	6,930,617	6,972,669	7,067,646	6,242,394	4,300,001	3,683,888	3,470,389	3,161,189	2,911,906
Not Classified by CDTFA	182,300	318,299	142,590	241,346	170,226	123,382	157,032	86,360	353,495
<b>TOTAL</b>	<b>\$ 26,615,712</b>	<b>\$ 26,075,346</b>	<b>\$ 25,365,669</b>	<b>\$ 23,374,778</b>	<b>\$ 20,842,301</b>	<b>\$ 19,071,700</b>	<b>\$ 18,465,436</b>	<b>\$ 16,745,540</b>	<b>\$ 16,182,961</b>

Source: Avenu Insights & Analytics

Note:

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded. The categories listed in previous reports were based on SBOE NAICS codes and have been updated to reflect current updated CDTFA standards.



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

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FY 2018		FY 2009	
Taxpayer	Business Type	Taxpayer	Business Type
Allied Building Products	Bldg.Matls-Whsle	Acoustical Materal Services	Bldg.Matls-Whsle
Autocom Nissan East Bay	Auto Sales - New	Costco Wholesale	Department Stores
Bigge Crane & Rigging Orat	Heavy Industry	Cummins West	Heavy Industry
Chevron Service Stations	Service Stations	Enterprise Rent-A-Car	Leasing
Consolidated Electrical Dstr	Bldg.Matls-Whsle	F.H. Dailey Chevrolet	Auto Sales - New
Costco Wholesale	Department Stores	Home Depot	Bldg.Matls-Retail
Cummins Pacific	Heavy Industry	K Mart Stores	Department Stores
F H Dailey Chevrolet	Auto Sales - New	Macy'S Department Store	Department Stores
Ferguson Enterprises	Bldg.Matls-Whsle	Marina Square Auto Center	Auto Sales - New
Home Depot	Bldg.Matls-Retail	Nordstrom Rack	Apparel Stores
Living Spaces Furniture	Furniture/Appliance	Peterson Power Systems	Heavy Industry
Nike Factory Store	Apparel Stores	Peterson Tractor	Heavy Industry
Norcal Kenworth Bay Area	Auto Parts/Repair	Rexel	Electronic Equipment
Nordstrom	Apparel Stores	Ross Stores	Apparel Stores
Peterson Power Systems	Electronic Equipment	Royal Whole Sale Electric	Bldg.Matls-Whsle
Peterson Tractor Co	Heavy Industry	Safeway Stores	Food Markets
Peterson Trucks	Auto Parts/Repair	San Leandro Honda	Auto Sales - New
Rexel	Electronic Equipment	Shell Service Stations	Service Stations
Roofing Supply Group	Bldg.Matls-Whsle	Target Stores	Department Stores
Ross Dress For Less	Apparel Stores	The Ford Store	Auto Sales - New
San Leandro Chrysler Jeep Dodge Ram	Auto Sales - New	W.W. Grainger	Bldg.Matls-Whsle
San Leandro Honda	Auto Sales - New	Wal Mart Stores	Department Stores
Target Stores	Department Stores	Western States Oil	Energy Sales
The Ford Store	Auto Sales - New	White Cap Industries	Bldg.Matls-Whsle
Walmart Store	Department Stores	White GMC Truck Center	Auto Sales - New

Source: Avenu Insights & Analytics

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

Fiscal Year	Sewer		Non-Residential	
	Single Family	Multi-Family	Commercial	Institutional
2009	26.29	18.65	3.13 - 6.40	2.45
2010	27.60	19.59	3.04 - 6.36	2.50
2011	26.29	18.65	2.45 - 6.40	2.45
2012	28.97	20.56	3.19 - 6.67	2.62
2013	29.98	21.28	3.30 - 6.90	2.71
2014	32.27	22.90	3.55 - 7.45	2.92
2015	33.07	23.54	3.65 - 7.66	3.00
2016	33.17	23.54	3.65 - 7.66	3.00
2017	34.03	24.15	3.74 - 7.86	3.08
2018	34.71	24.63	3.81 - 8.02	3.14

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

**City of San Leandro**  
**Number of Permits and Valuation of Taxable Transactions**  
**Last Ten Calendar Years**

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Calendar Year	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions (in thousands)	Number of Permits	Taxable Transactions (in thousands)
2009	1,336	\$ 1,074,706	2,351	\$ 1,598,739
2010	1,414	1,110,136	2,448	1,663,900
2011	1,312	1,203,146	2,309	1,775,210
2012	1,341	1,273,883	2,322	1,867,865
2013	1,304	1,348,729	2,273	2,026,119
2014	1,290	1,378,120	2,258	2,246,508
2015	1,189	1,433,968	2,231	2,438,671
2016	1,183	1,553,926	2,243	2,540,136
2017	1,137	1,005,751	2,245	2,682,957
2018	1,567	1,079,014	3,243	2,662,530

Note: Calendar Year 2017 and 2018 data is provided by California Dept. of Tax and Fee Administration

Prior to 2017, data provided by State Board of Equalization (BOE), Taxable Sales in California (Sales and Use Tax).

## **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, 2018

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

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years

**City of San Leandro  
Direct and Overlapping Debt  
As of June 30, 2018**

2017-18 Assessed Valuation \$ 12,516,114,346

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2018	% Applicable (1)	City's Share of Debt 6/30/18
Alameda County	\$ 240,000,000	4.618%	\$ 11,083,200
Bay Area Rapid Transit District	837,820,000	1.799	15,072,382
Chabot-Las Positas Community College District	693,595,000	10.693	74,166,113
San Leandro Unified School District	219,634,079	89.685	196,978,824
San Lorenzo Unified School District	115,335,000	22.495	25,944,608
East Bay Regional Park District	187,800,000	2.813	5,282,814
City of San Leandro Cherrywood Community Facilities District	2,720,000	100.000	2,720,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 331,247,941</b>

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	\$ 905,132,500	4.618%	\$ 41,799,019
Alameda County Pension Obligation Bonds	8,937,324	4.618	412,726
Alameda-Contra Costa Transit District Certificates of Participation	13,795,000	5.466	754,035
San Leandro Unified School District Certificates of Participation	4,530,000	89.685	4,062,731
San Lorenzo Unified School District Certificates of Participation	10,305,000	22.495	2,318,110
<b>City of San Leandro General Fund Obligations</b>	<b>25,749,715</b>	<b>100.000</b>	<b>25,749,715</b>
<b>City of San Leandro Pension Obligation Bonds</b>	<b>11,625,000</b>	<b>100.000</b>	<b>11,625,000</b>
<b>City of San Leandro HUD Section 108 Loan</b>	<b>1,583,000</b>	<b>100.000</b>	<b>1,583,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 88,304,336</b>

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>			
San Leandro Tax Allocation Bonds	\$ 13,415,000	100.000%	\$ 13,415,000
Alameda County – San Leandro Tax Allocation Bonds	19,060,000	56.639	10,795,393
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>			<b>\$24,210,393</b>

**TOTAL DIRECT DEBT** \$ **38,957,715**  
**TOTAL OVERLAPPING DEBT** \$ **404,804,955**

**COMBINED TOTAL DEBT** \$ **443,762,670 (2)**

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the 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 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.65%
<b>Total Direct Debt (\$38,957,715)</b>	<b>0.31%</b>
Combined Total Debt	3.55%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,261,725,145):

Total Overlapping Tax Increment Debt	1.07%
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**City of San Leandro  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Special Assessment Bonds			Coverage
	Special Assessment Collections	Debt Service		
		Principal	Interest	
2009	\$ 66	\$ 145,000	\$ 16,416	0.00
2010	-	155,000	5,592	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-

Notes: During Fiscal Year 2009-10 and beyond 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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Valuation:										
Secured property assessed value	\$ 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	\$ 10,623,178,219	\$ 11,098,868,606	\$ 11,810,249,391
Addback: Exemptions	180,546,000	207,657,000	218,845,000	224,007,000	236,917,000	322,596,000	1,104,630,000	1,071,154,402	1,139,775,183	1,160,687,336
Total Assessed Valuation	<u>\$ 9,065,717,000</u>	<u>\$ 9,252,308,000</u>	<u>\$ 9,102,245,000</u>	<u>\$ 9,109,542,000</u>	<u>\$ 9,586,071,000</u>	<u>\$ 10,264,814,000</u>	<u>\$ 11,004,707,000</u>	<u>\$ 11,694,332,621</u>	<u>\$ 12,238,643,789</u>	<u>\$ 12,970,936,727</u>
Bonded debt (15% of Assessed Value)	\$ 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	\$ 1,754,149,893	\$ 1,835,796,568	\$ 1,945,640,509
Total Bonded Debt	88,653,126	87,662,234	84,549,436	99,120,825	46,698,820	44,557,992	42,478,441	42,066,944	42,404,398	37,374,715
Less:										
Special assessment bonds	(155,000)	-	-	-	-	-	-	-	-	-
Lease Revenue Debt	(36,860,000)	(35,660,000)	(34,420,000)	(29,515,000)	(28,340,000)	(30,440,000)	(26,208,000)	(25,198,000)	(27,410,045)	(20,495,000)
Capital Leases	(1,237,267)	(1,238,241)	(772,883)	(287,790)	(980,820)	(694,992)	(715,441)	(678,944)	(240,353)	(5,254,715)
Amount of Debt subject to Limit	<u>50,400,859</u>	<u>50,763,993</u>	<u>49,356,553</u>	<u>69,318,035</u>	<u>17,378,000</u>	<u>13,423,000</u>	<u>15,555,000</u>	<u>16,190,000</u>	<u>14,754,000</u>	<u>11,625,000</u>
Legal Debt Margin	<u>\$ 1,309,456,691</u>	<u>\$ 1,337,082,207</u>	<u>\$ 1,315,980,197</u>	<u>\$ 1,297,113,265</u>	<u>\$ 1,420,532,650</u>	<u>\$ 1,526,299,100</u>	<u>\$ 1,635,151,050</u>	<u>\$ 1,737,959,893</u>	<u>\$ 1,821,042,568</u>	<u>\$ 1,934,015,509</u>

Source: County of Alameda office of Auditor-Controller and Statement of Direct and Overlapping Debt

**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 and Lease Revenue Debt (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
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
2016	5,587,279,300	87,700	-	14,345,000	25,198,000	678,944	1,845,000	42,066,944	0.75%	479.67	44,179,819	0.79%	503.76	69,377,819	1.24%	791.08
2017	5,894,517,000	88,274	-	13,040,000	27,410,045	240,353	1,714,000	42,404,398	0.72%	480.37	42,297,582	0.72%	479.16	69,707,627	1.18%	789.67
2018	6,221,503,000	87,598	-	11,625,000	20,495,000	5,254,715	1,583,000	38,957,715	0.63%	444.73	40,364,096	0.65%	460.79	60,859,096	0.98%	694.75

Note:  
(1) CFDs - Community Facility District  
(2) Business-type Activity Debt consists of a Marina Loan and a State Water Resources Control Board Loan.

Sources:  
(a) Income Data is provided by the U.S. Census Bureau, 2011-2015 American Community Survey. Income data has been restated from previous years.  
(b) Population Projections are provided by the California Department of Finance Projections.  
(c) All other information provided by the City of San Leandro.



**City of San Leandro**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Total of Personal Income	Population	Pension Obligation Bonds	Capital Leases	Other Debt	Total General Bonded Debt	% of Personal Income	Debt per Capita
2009	4,750,387,200	82,472	-	1,237,265	2,555,859	3,793,124	0.08%	46
2010	4,932,751,900	83,183	-	1,238,241	2,513,632	3,751,873	0.08%	45
2011	5,248,658,550	85,490	-	772,883	2,421,193	3,194,076	0.06%	37
2012	5,159,811,699	85,941	18,305,000	287,790	-	18,592,790	0.36%	216
2013	5,310,979,146	86,666	17,585,000	980,820	-	18,565,820	0.35%	214
2014	5,545,682,831	89,189	16,675,000	694,992	-	17,369,992	0.31%	195
2015	5,524,820,829	88,441	15,555,000	715,441	-	16,270,441	0.29%	184
2016	5,587,279,300	87,700	14,345,000	678,944	-	15,023,944	0.27%	171
2017	5,894,516,653	88,274	13,040,000	240,353	-	13,280,353	0.23%	150
2018	6,221,502,537	87,598	11,625,000	5,254,715	-	16,879,715	0.27%	193

**Sources:**

- (a) Income Data is provided by the U.S. Census Bureau, 2011-2015 American Community Survey. Income data has been restated from previous years.
- (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 Eight 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>
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%
2016	87,700	5,587,279	63,709	40.5	8,560	529,000	239.810	5.1%
2017	88,274	5,894,517	66,775	40.5	8,638	585,400	244.786	4.6%
2018	87,598	6,221,503	71,023	43.9	8,880	671,200	251.846	3.1%

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Source: Avenu Insights & Analytics, U.S. Census Bureau, 2011-2015 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, 2011-2015 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 Eight Years Ago**

Employer	2017-18			2009-10		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Kaiser Permanente	3,400	1	7.13%			
Alameda Health Systems*	1,534	2	3.22%			
SLUSD**	1,171	3	2.45%	1,262		4.29%
Acco Engineered Systems	1,000	4	2.10%			
Walmart (2 locations)	830	5	1.74%	540		1.83%
City of San Leandro*	589	6	1.23%	453		1.54%
Ghiradelli Chocolate Co.	517	7	1.08%			
Paramedics Plus LLC	490	8	1.03%			
Peterson Cat	487	9	1.02%			
Safeway (4 locations)	449	10	0.94%			
American Medical Response West				402		1.37%
Costco Wholesale				333		1.13%
Coca Cola Bottling Co.				317		1.08%
North Face, Inc				314		1.07%
Kindred Hospital - SF Bay Area				268		0.91%
OSI Soft, Inc				238		0.81%
Total Top Employers	10,467		21.94%	4,127		14.01%
Total City Employment (1)	47,700			29,450		

Source: Avenu Insights & Analytics

Notes:

\*Includes full and part-time

\*\*Includes part-time and substitutes

(1) Total City Labor Force provided by EDD Labor Force Data



## **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 Asset Statistics by Function - Last Ten Fiscal Years

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	62	55	49	51	50	51	55	50	51	52
Police	150	142	133	136	136	139	139	143	143	140
Engineering & Transportation	30	30	25	25	27	27	27	31	30	29
Development Services	23	19	18	19	21	22	22	26	25	29
Public Works Services	122	113	104	103	102	101	102	102	104	110
Other Agencies	8	9	8	8.5	0	0	0	0	0	0
Library	49	40	33	33	33	33	33	34	34	36
Recreation & Human Services	57	45	35	33	37	39	39	39	39	41
Total	501	453	405	409	406	412	417	425	426	437

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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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Police Department:</u>										
Arrests	4,026	3,722	3,486	3,299	3,279	3,036	2,148	2,789	2,799	2,513
<u>Building Department:</u>										
Permits Issued	2,541	2,507	2,446	2,503	2,564	2,624	1,961	2,891	2,762	4,080
<u>Public Works Department:</u>										
Street reconstruction (miles)	-	2.34	0.55	1.39	-	1.35	0.26	0.74	2.24	1.42
Street resurfacing (miles)	-	2.72	4.00	8.68	-	17.94	5.39	4.12	5.21	4.69
<u>Parks and Recreation:</u>										
Number of registrants	18,413	16,584	17,099	20,236	21,324	18,914	17,737	17,114	16,742	14,703
Number of facility rentals	752	705	1,190	1,282	1,999	2,656	3,830	2,439	2,222	2,465
<u>Golf Course:</u>										
Golf rounds played	101,760	98,000	98,000	97,310	95,995	96,450	102,534	99,185	98,987	105,043

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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	2	2	2	2	2	2	2	2	2
<u>Public works:</u>										
Streets (miles)	175	175	175	175	175	175	175	175	175	175
Streetlights	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	6,000
Traffic signals	755	755	755	755	755	755	755	755	755	1,254
<u>Wastewater:</u>										
Sanitary Sewer Lines (miles)	130	130	130	130	130	130	130	128	128	128
Storm Drainage Lines In the City (miles)	175	175	175	175	175	175	175	180	180	180
<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