



# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

*Creating Great Places*  
CITY OF SAN LEANDRO  
CALIFORNIA





**CITY OF SAN LEANDRO, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2014**

**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, 2014**

**Table of Contents**

**INTRODUCTORY SECTION**

Table of Contents .....	i
Letter of Transmittal .....	v
Government Finance Officers Association (GFOA) Award .....	xiii
Principal Officers .....	xiv
Organizational Chart.....	xv
Location Map. ....	xvi

**FINANCIAL SECTION**

<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	5

**Basic Financial Statements:**

Government-Wide Financial Statements:	
Statement of Net Position .....	23
Statement of Activities and Changes in Net Position .....	24
Fund Financial Statements:	
Government Funds Financial Statements:	
Balance Sheet .....	30
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	31
Statement of Revenues, Expenditures and Changes in Fund Balances .....	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position .....	33
Proprietary Funds Financial Statements:	
Statement of Net Position .....	36
Statement of Revenues, Expenses and Changes in Net Position .....	37
Statement of Cash Flows .....	38

**CITY OF SAN LEANDRO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2014**

**Table of Contents**

**FINANCIAL SECTION (Continued)**

Fiduciary Fund Financial Statement:	
Statement of Fiduciary Net Position – Agency Funds .....	40
Combining Statement of Changes in Fiduciary Net Position – Successor Agency .....	41
Index to Notes to Basic Financial Statements .....	42
Notes to Basic Financial Statements .....	44
 <b>Required Supplementary Information:</b>	
Budget and Budgetary Accounting	
Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual –Major Fund – General Fund .....	86
Pension Plans Schedule of Funding Progress .....	87
 <b>Supplementary Information:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	92
Combining Statement of Revenue, Expenditures and Changes in Fund Balances .....	94
Schedule of Revenue, Expenditures and Changes in Fund Balances –Budget and Actual – Non-Major Funds .....	100
 Non-Major Enterprise Funds:	
Combining Statement of Net Position .....	122
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	123
Combining Statement of Cash Flows .....	124
 Internal Service Funds:	
Combining Statement of Net Position .....	126
Combining Statement of Revenues, Expenses and Changes in Net Position .....	127
Combining Statement of Cash Flows .....	128
 Fiduciary Fund Financial Statements:	
Combining Statement of Fiduciary Net Position .....	130
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	131

**STATISTICAL SECTION**

Net Position by Component – Last Ten Fiscal Years .....	135
Changes in Net Position – Last Ten Fiscal Years .....	136
Program Revenues by Function/Program – Last Ten Years .....	137
Fund Balance of Governmental Funds – Last Ten Fiscal Years .....	138

**CITY OF SAN LEANDRO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2014**

**Table of Contents**

**STATISTICAL SECTION (Continued)**

Changes in Fund Balance of Governmental Funds – Last Ten Years .....	139
General Governmental Revenues by Source - Last Ten Fiscal Years .....	140
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years .....	141
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years .....	142
Principal Property Tax Payers – Current Year and Ten Years Ago .....	143
Property Tax Levies and Collections – Last Ten Fiscal Years .....	144
Sales Tax Remittance by Category – Last Ten Calendar Years .....	145
Sewer Rate – Last Ten Fiscal Years .....	146
Computation of Direct and Overlapping Debt .....	147
Pledged-Revenue Coverage – Last Ten Fiscal Years .....	148
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	149
Demographic Statistics - Last Ten Fiscal Years .....	150
Principals Employers – Current Year and Ten Years Ago .....	151
Full-Time and Part-Time City Employees by Function – Last Ten Fiscal Years .....	152
Operating Indicators by Function – Last Ten Fiscal Years .....	153
Capital Asset Statistics by Function – Last Ten Fiscal Years .....	154
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	155



City of San Leandro

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



November 17, 2014

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, 2014. 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, 2014.

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, 2014 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, 2014 are fairly presented in

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

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

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

## **CITY PROFILE**

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

### **City Structure**

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

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

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

## **Component Units**

As of June 30, 2014, there were no discretely reportable component units. The City's blended component units include operations of the San Leandro Parking Authority, the San Leandro Public Financing Authority, and the San Leandro Economic Development Agency.

The CAFR for the year ending June 30, 2014 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 regional hospital, and the continuing revitalization of downtown San Leandro.

The recession resulting from the global financial and credit market meltdown in late 2008 has had a direct and dramatic impact on the City's local revenues. However, recent data indicate recovery, median home prices are \$435,000, still less than the median price at the 2006 peak. The unemployment rate has now dropped to 5.6%.

The City's General Fund supports many of the City's key services, such as public safety, library and parks and recreation. Revenue to this critical fund, generated largely from sales and property taxes, has started to rebound to levels not seen since 2006-07. Low mortgage rates have spurred investment in housing. Despite the improving housing market, which represents 63% of the City's tax roll, no growth in assessed value for Fiscal year 2013-14 because the new Kaiser Hospital was removed from the taxable roll due to its tax-exempt status. Lower interest rates have also boosted purchases of large ticket items, such as automobiles and home improvements, which boosted sales tax revenue by 9% in the City. With the passage of Measure Z (0.25% sales tax increase) effective January 1, 2011, the extra quarter cent sales tax added \$4.6 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 2013-14 totaled \$11.96 million, a 6% increase from the prior

year. The Shoreline Enterprise Fund was established in 2002-03 and combined the Marina Enterprise and the Golf Course Enterprise Funds. Program revenues to this fund in 2013-14 totaled \$1.93 million, a 6% increase from the prior year.

While the City has implemented considerable expenditure/service reductions to balance its budget, it continues to face increased operating costs. For example, the City's contribution rates for employee pensions continue to rise due to prior portfolio losses and a change in actuarial assumptions by CalPERS, with additional increases projected in future years. The City has offset some of these increases with staff reductions in recent years, and will be working with employee groups over the next couple of years to address this growing cost. Partially mitigating the double digit increases in annual CalPERS funding is the refinancing of a Police pension fund unfunded liability through lower interest cost bonds and loans totaling \$24 million guaranteed by the General Fund, which were completed in March 2012.

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

### **Long-term perspective**

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

City Council unrestricted reserves, total \$18.18 million in the General Fund at June 30, 2014. The reserve balance is comprised of \$5 million for Major Emergencies, \$8.17 million for Economic Uncertainty, and \$5.01 million from other unassigned balance. It is anticipated that in FY 2014-15, the City will use \$3.27 million of its reserve balance.

## **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 2013-14

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**

The Village project opened in November 2014. The project's tenants include a Peet's Coffee & Tea, The Habit Burger, AT&T and a CVS, plus an additional one or two tenants. The design concepts include retail and restaurant spaces with outdoor dining, and a public plaza, complete with gathering space and a fountain, a public art component and lush landscaping. Innisfree developed the Village after the City purchased the vacant, blighted property from Albertson's Stores and prepared the site for re-use.

Water Pollution Control Plant A \$50 million expansion is underway to upgrade the Plant, which was constructed in 1939. Scheduled date of completion is July 2015.

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.

San Leandro Kaiser Medical Center, Phase I The initial phase of development consists of a replacement for the existing Kaiser Permanente Hayward hospital with a new San Leandro Kaiser Medical Center. Phase 1 of the Medical Center opened Spring 2014 and includes a 436,000 square foot, six-story hospital containing up to 264 licensed beds, a 275,000 square foot support building, a central utility plant, and 2,100 surface parking. The state-of-the-art hospital includes ten operating rooms, 24-hour emergency services with forty treatment rooms, and a newborn intensive care nursery. A medical office building contains 116 offices for primary care and specialty physicians, an outpatient procedure suite with six rooms, a pharmacy, a laboratory, and radiology services. This is the largest development project in San Leandro's history.

### **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 administration 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 20% of General Fund operating expenditures (budgeted expenditures for the following year). Consequently, based on the General Fund's budgeted operating expenditures for 2014-15 the guideline requirement is approximately \$17.3 million.

The 2013-14 financial statements reflect unrestricted reserves that total \$18.18 million. For the first time since 2006-07, the Unassigned Fund Balance aligns with the Council's fund balance guideline.

## **FINANCIAL INFORMATION**

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

The City Council is required to adopt a final budget through the passage of a resolution no later than June 30, the close of the fiscal year, following a public hearing process conducted to obtain taxpayer comments. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. At the end of the fiscal year, encumbered appropriations are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse, unless otherwise authorized by the City Council and the City Manager.

### **Accounting System**

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

### **Risk Management**

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

## **OTHER INFORMATION**

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Leandro for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 18<sup>th</sup> consecutive year that the City of San Leandro has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 comprehensive annual financial report 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 Carla Rodriguez, Christine Galvin, Mayette Bailey, Gregory Watson and Sally Perez

whose support and dedication made the report possible. Furthermore, I would like to thank Maze & Associates for their professional assistance and cooperation.

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

Respectfully submitted,

A handwritten signature in black ink that reads "David Baum". The signature is written in a cursive, flowing style.

David Baum  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**The City of San Leandro  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

**PRINCIPAL OFFICERS**  
**CITY OF SAN LEANDRO**  
**For Fiscal Year Ended June 30, 2014**

**CITY COUNCIL**

Mayor	Stephen H. Cassidy
Vice Mayor	Benny Lee
Councilmember	Pauline Russo Cutter
Councilmember	Michael J. Gregory
Councilmember	Jim Prola
Councilmember	Diana M. Souza
Councilmember	Ursula Reed

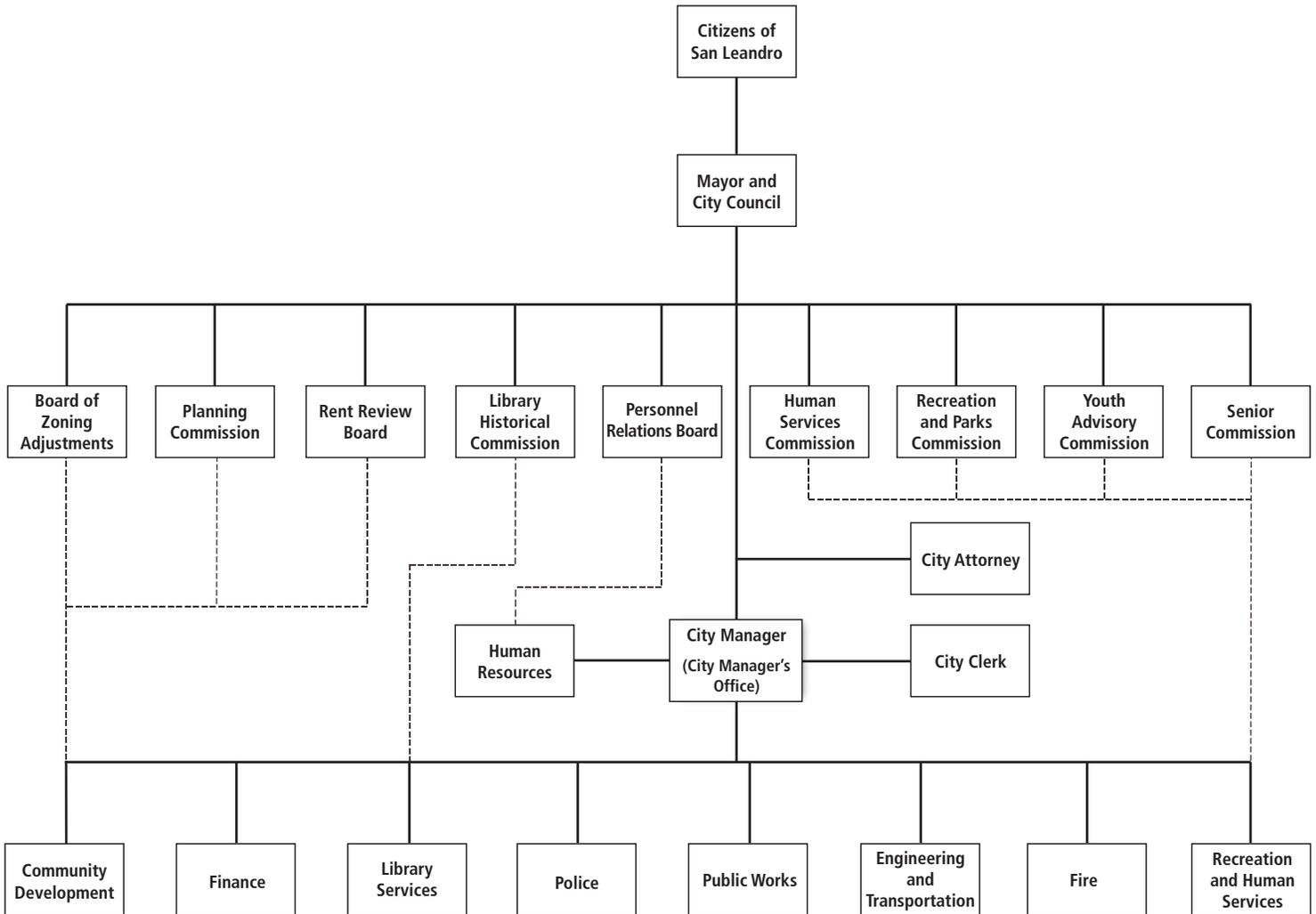
**COUNCIL APPOINTEES**

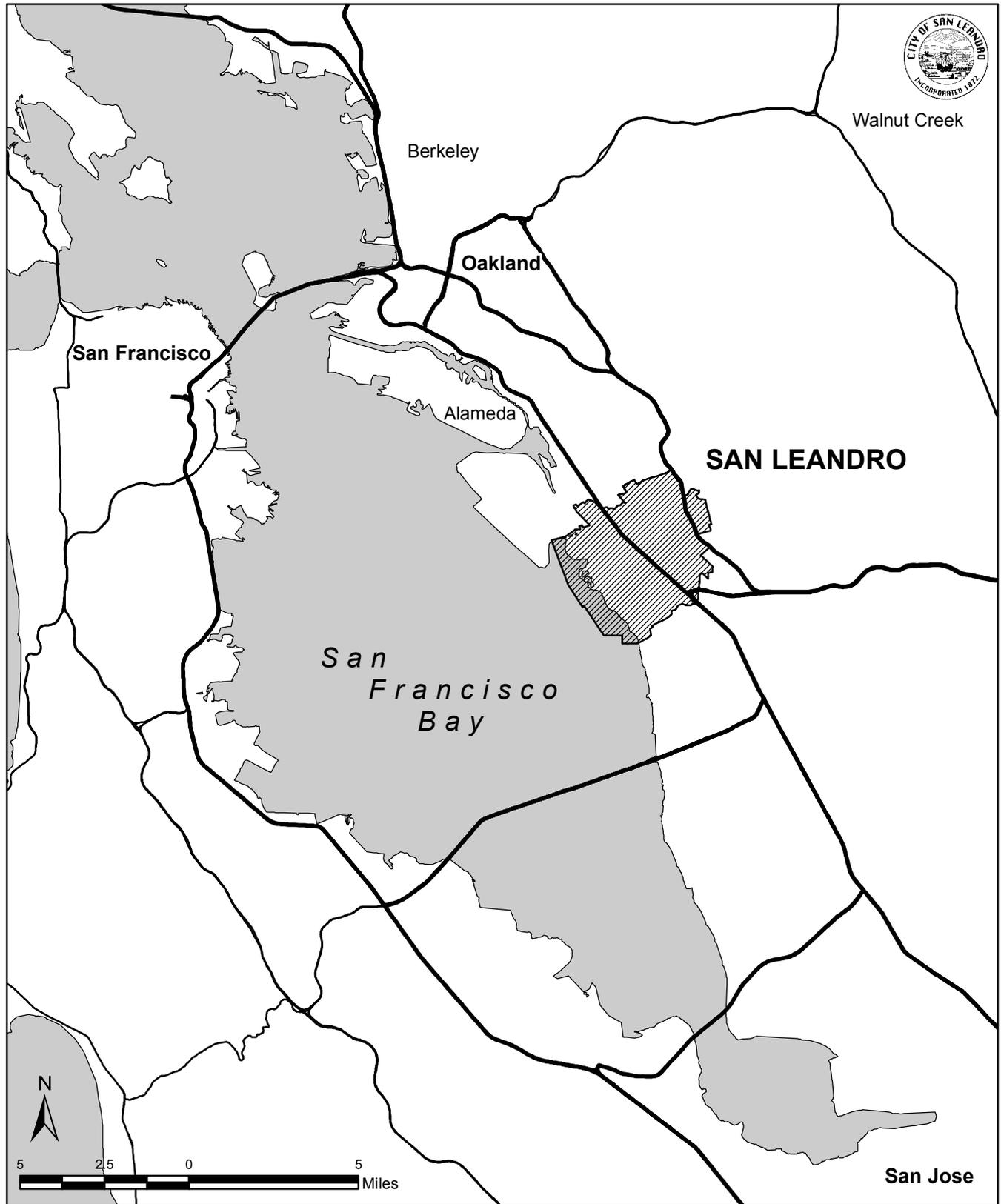
City Manager	Chris Zapata
City Attorney	Richard Pio Roda

**APPOINTED OFFICIALS**

Assistant City Manager	Lianne Marshall
City Clerk	Marian Handa
Police Chief	Sandra R. Spagnoli
Community Development Director	Cynthia Battenberg
Finance Director	David Baum
Recreation and Human Services Director	Carolyn Knudtson
Engineering – Transportation Director	Uchenna Udemezue
Public Works Services Director	Debbie Pollart

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







## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of San Leandro, California

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Leandro (City) as of and for the year ended June 30, 2014, 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.

Accountancy Corporation  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

T 925.930.0902  
F 925.930.0135  
E [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
W [mazeassociates.com](http://mazeassociates.com)

## ***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 of San Leandro as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2014.

Statement 65 – *Items Previously Reported as Assets and Liabilities*. See Note 17E to the financial statements for relevant disclosures.

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and budgetary comparison information 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 of San Leandro's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014, 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  
November 17, 2014



**CITY OF SAN LEANDRO, CALIFORNIA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**

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, 2014. To obtain a complete picture of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

**FINANCIAL HIGHLIGHTS**

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

- At the close of the most recent fiscal year, the net position of the City exceeded its liabilities by \$321 million (net position). Of this amount, \$257 million was invested in capital assets. Of the remaining \$63.7 million balance \$14.4 million is restricted for other purposes leaving \$49.3 million unrestricted.
- As of June 30, 2014, the City's total net position decreased by \$4.7 million; representing a \$9.3 million decrease in governmental activities and a \$4.6 million increase in Business Type activities.
- In 2013-14, as required by the Governmental Accounting Standard Board (GASB), governments are obligated to enhance the financial reporting of the fund balance categories. Fund balances are described and presented in Note 10 which details the classifications of the City's new fund balance categories. The City's governmental funds include the general, special revenue, debt service, and capital projects, with a combined ending fund balance of \$44 million, an increase from the prior fiscal year. The increases are primarily due to the rise of \$2.8 million in Sales Tax, \$900,000 in Property tax, and \$300,000 in Property Transfer tax.
  - a) Approximately 23% of the amount (\$10.1 million) is Nonspendable because the funds are both legally and contractually required to be maintained and are not available or spendable such as advances and loans to other funds.
  - b) Approximately 37% of the amount (\$16.1 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 1% or \$662,973 is assigned which are General fund encumbrances from prior fiscal year.
  - d) Approximately 39% of the amount (\$17.1 million) is Unassigned and available for spending in the future. These include Compensated Absences, Major Emergencies and Economic Uncertainties and funds that have deficit fund balances.

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

Management's Discussion and Analysis gives an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

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

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

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

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

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

*Governmental Activities* - The activities in this section are mostly supported by taxes and charges for services. The governmental activities of the City include General Government, Public Safety, Engineering & Transportation, Recreation and Culture, Library, and Community Development.

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

### **Fund Financial Statements**

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

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

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

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

The City has 24 governmental funds, of which three are considered major funds for presentation purposes. Each major fund is 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 include - the General Fund and the Affordable Housing Asset Fund. Individual fund data for each of the on-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, Affordable Housing Asset Fund and all non-major funds. Budgetary comparison statements are elsewhere in this report to demonstrate compliance with the adopted budget.

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

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

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

**Notes to the Basic Financial Statements**

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

**Other Information**

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

## 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 \$320.6 million at the close of fiscal year 2013-14, a decrease of 1.5%.

**City of San Leandro**  
**Net Position at June 30, 2014**  
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2014	2013	% change	2014	2013	% change	2014	2013	% change
Current Assets	\$ 65,172	\$ 62,938	3.5%	\$ 29,333	\$ 24,384	20.3%	\$ 94,505	\$ 87,322	8.2%
Non-Current Assets	17,171	16,786	2.3%	(1,965)	(1,529)	28.5%	15,206	15,257	-0.3%
Capital Assets	255,631	271,213	-5.7%	69,428	56,406	23.1%	325,059	327,619	-0.8%
Total assets	<u>337,974</u>	<u>350,937</u>	<u>-3.7%</u>	<u>96,796</u>	<u>79,261</u>	<u>22.1%</u>	<u>434,770</u>	<u>430,198</u>	<u>1.1%</u>
Current and other liabilities	15,906	16,120	-1.3%	6,044	7,533	-19.8%	21,950	23,653	-7.2%
Long-term liabilities	54,012	57,430	-6.0%	38,208	23,746	60.9%	92,220	81,176	13.6%
Total liabilities	<u>69,918</u>	<u>73,550</u>	<u>-4.9%</u>	<u>44,252</u>	<u>31,279</u>	<u>41.5%</u>	<u>114,170</u>	<u>104,829</u>	<u>8.9%</u>
Net assets:									
Net investment in capital assets, net of related debt	225,402	219,702	2.6%	31,513	32,979	-4.4%	256,915	252,681	1.7%
Restricted	14,371	24,162	-40.5%	-	-		14,371	24,162	-40.5%
Unrestricted	28,283	33,524	-15.6%	21,031	15,003	40.2%	49,314	48,527	1.6%
Total net position	<u>\$ 268,056</u>	<u>\$ 277,388</u>	<u>-3.4%</u>	<u>\$ 52,544</u>	<u>\$ 47,982</u>	<u>9.5%</u>	<u>\$320,600</u>	<u>\$325,370</u>	<u>-1.5%</u>

By far the largest portion of the City's net position (80%) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment), less any outstanding related debt used to acquire those assets. Because the City uses these capital assets to provide services to citizens, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay must be provided from other sources (future income), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 4.5%, represents resources that are subject to external restriction on how they may be used. The remaining balance of \$49.3 million or 15.4% represents unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors within the restrictions set forth by various funding sources.

Total governmental activities assets decreased by \$9.3 million compared to the prior fiscal year 2012-13 for a combination of reasons. The reduction of \$15.6 million in net capital asset due to the annual depreciation of assets and an increase of \$2.8 million in sales tax are the major contributors to the change in the 2013-14 net position.

The City's total net position for both governmental and business-type activities decreased by \$4.8 million during the current fiscal year. Information about changes in net position is presented in the summary schedule below:

<b>City of San Leandro</b>									
<b>Changes in Net Activities</b>									
<b>Year Ended June 30, 2014</b>									
<b>(in thousands)</b>									
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total</b>		
			%			%			%
	2014	2013	Change	2014	2013	Change	2014	2013	Change
<b>Revenues</b>									
Program revenues:									
Charges for Services	\$ 14,990	\$ 13,736	9.1%	\$ 15,635	\$ 14,813	5.6%	\$ 30,625	\$ 28,549	7.3%
Operating grants and contributions	4,530	5,673	-20.2%	-	-		4,530	5,673	-20.2%
Capital grants and contributions	10,010	7,216	38.7%	-	-		10,010	7,216	38.7%
General revenues:									
Property taxes	18,514	17,632	5.0%				18,514	17,632	5.0%
Sales tax	29,098	26,305	10.6%				29,098	26,305	10.6%
Franchise Fee	4,582	4,444	3.1%				4,582	4,444	3.1%
Utility users Tax	10,158	9,888	2.7%				10,158	9,888	2.7%
Property Transfer Tax	3,282	2,956	11.0%				3,282	2,956	11.0%
911 communication Access Tax	2,804	2,723	3.0%				2,804	2,723	3.0%
Motor Vehicle License Fees	37	44	-15.9%				37	44	-15.9%
Other taxes	653	591	10.5%	417	360	15.8%	1,070	951	12.5%
Investment Earnings	1,255	919	36.6%	265	210	26.2%	1,520	1,129	34.6%
Gain or loss on sale of assets	16	394	-95.9%	-	-		16	394	-95.9%
Extraordinary Items	-	-		-	-		-	-	
Miscellaneous	515	962	-46.5%	251	208	20.7%	766	1,170	-34.5%
Total Revenues	<u>100,443</u>	<u>93,483</u>	<u>7.4%</u>	<u>16,568</u>	<u>15,591</u>	<u>6.3%</u>	<u>117,012</u>	<u>109,074</u>	<u>7.3%</u>
<b>Expenses</b>									
General Government	11,609	13,167	-11.8%			0.0%	11,609	13,167	-11.8%
Public safety	47,180	45,465	3.8%			0.0%	47,180	45,465	3.8%
Engineering & Transportation	31,713	25,663	23.6%			0.0%	31,713	25,663	23.6%
Recreation and Culture	11,787	11,586	1.7%			0.0%	11,787	11,586	1.7%
Community Development	5,389	4,904				0.0%	5,389	4,904	9.9%
Interest on Long-Term Debt	2,097	2,548	-17.7%			0.0%	2,097	2,548	-17.7%
Water Pollution Control				7,978	7,500	6.4%	7,978	7,500	6.4%
Shoreline				1,923	1,861	3.3%	1,923	1,861	3.3%
Storm Water Utility				1,078	979	10.1%	1,078	979	10.1%
Environmental Services			0.0%	1,027	1,175	-12.6%	1,027	1,175	-12.6%
Total Expenses	<u>109,775</u>	<u>103,333</u>	<u>6.2%</u>	<u>12,006</u>	<u>11,515</u>	<u>4.3%</u>	<u>121,781</u>	<u>114,848</u>	<u>6.0%</u>
0.0%									
Excess(deficiency)of revenues over expenses before transfer	(9,332)	(9,850)	-5.3%	4,562	4,076	11.9%	(4,769)	(5,774)	-17.4%
Transfer	-	(72)	0.0%	0	72	-100.0%	-	-	
Increase in net position	<u>(9,332)</u>	<u>(9,922)</u>	<u>-5.9%</u>	<u>4,562</u>	<u>4,148</u>	<u>10.0%</u>	<u>(4,769)</u>	<u>(5,774)</u>	<u>-17.4%</u>
-									
Beginning net position	277,388	287,310	-3.5%	47,982	43,834	9.5%	325,370	331,144	-1.7%
Ending net position	<u>\$ 268,056</u>	<u>\$ 277,388</u>	<u>-3.4%</u>	<u>\$ 52,544</u>	<u>\$ 47,982</u>	<u>9.5%</u>	<u>\$ 320,601</u>	<u>\$ 325,370</u>	<u>-1.5%</u>

**Revenues:**

- Property tax shows a slight increase of \$883,000 compared to the 2012-13 fiscal year.
- Sales tax revenue continues to increase. Compared to the 2012-13 fiscal year, sales tax grew by \$2.8 million which can be attributed to the continued growth of consumer confidence in the city. Largest sales tax increases came from sales of building materials, service stations, new and used vehicles and the parts to repair automobiles. However, heavy and light industry, department stores and food markets were contributors as well.

Charges for services in Governmental activities are primarily fees for recreation, building, fire, planning and engineering. The overall increase of \$1.3 million is mainly due to the large projects in the city such as the Village Market Place, Tech Campus, Cornerstone project and the 21<sup>st</sup> Amendment Brewery. Business license is conversely related to the increase in building permits which increased by \$260,000

- Operating grants, capital grants and contributions include Federal and State grants and other governments and private contributions, including impact fees. Capital grants and contributions were increased by \$2.8 million in 2013-14 for engineering projects.

**Program Expenditures:**

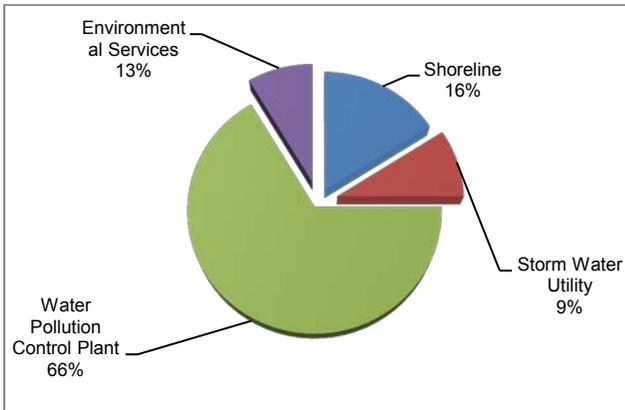
Overall, expenses, for both governmental and business type activities increased by \$6.9 million compared to the prior fiscal year. Total program expenditures for governmental activities increased by 6.2% to \$110 million in the current fiscal year. Expenditures for business type activities increased by \$491,000 mainly at Water Pollution Control Plant. For each governmental and business-type activity, the total costs are the expenses associated with that activity.

	Change in expense (in thousands)		
	2014	2013	% Change
General Government	\$ 11,609	\$ 13,167	-11.8%
Public safety	47,181	45,465	3.8%
Engineering & Transportation	31,712	25,662	23.6%
Recreation and Culture	11,787	11,586	1.7%
Community Development	5,389	4,905	9.9%
Interest on Long-Term Debt	2,097	2,548	-17.7%
Governmental Activities	109,775	103,333	6.2%
Water Pollution Control	7,978	7,500	6.4%
Shoreline	1,923	1,861	3.3%
Storm Water Utility	1,078	979	10.1%
Environmental Services	1,027	1,175	-12.6%
Business Type Activities	12,006	11,515	4.3%
Total Expenses	\$ 121,781	\$ 114,848	6.0%

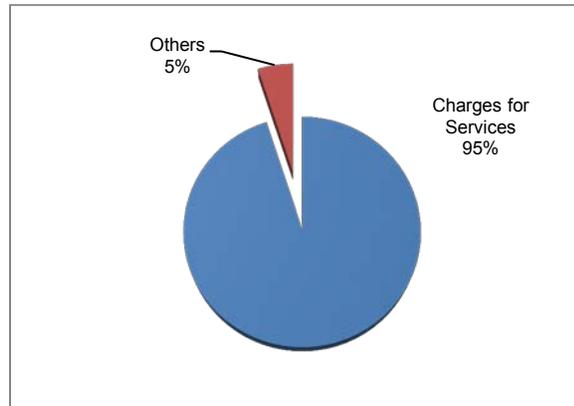
- General government expenses include City Council, City Clerk, City Manager, City Attorney, Human Resources, Finance, and Information Technology departments. General government expenses decreased by \$1.6 million compared to prior fiscal year. The increase was mainly due to the accrued repayment of the General Fund loan to the Successor Agency of the Redevelopment Agency of San Leandro in the amount of \$2.3 million.
- Public Safety expenses for both Police and Fire services increased by \$1.7 million from the prior fiscal year due to increase in the Fire contract and Other Post-Employment Benefits (OPEB) in the amount of \$1.2 million.
- Engineering and transportation expenses include professional engineering services for traffic and transportation, planning and design, administration and implementation of the City’s capital improvement program and technical support for various public improvements. Engineering and transportation expenses increased by \$6.0 million compared to the prior year due to the increase in capital improvement projects for continued street rehabilitation around downtown BART area and Marina Blvd.

**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 \$4.6 million from prior fiscal year due to the continuation of the Water Pollution Control Plant expansion project funded by a loan from the State Water Resource Control Board.

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



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



**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

**Governmental Funds.** The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. However, it should be noted that most of the unassigned amounts are designated by the City Council for specific uses.

At the end of fiscal year 2013-14, the City’s governmental funds reported combined ending fund balances of \$44 million, a decrease of \$2.9 million in comparison with the prior year. Approximately 23.1% (\$10.1 million) of the fund balance represents Non-Spendable; Restricted fund balance represents 36.7% or \$16.1 million; Assigned fund balance of \$663,000 and 39% or \$17 million is Unassigned and is available for spending at the government’s discretion, this amount represents the General Fund Reserve balance.

**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 84.6% of the total governmental revenues and 81.9% of the total expenditures. A number of primary City services are accounted for in the General Fund, including General government, public safety, development services, library and community services, and maintenance services. At the end of fiscal year 2013-14, the unassigned fund balance of the General Fund was \$18.8 million, while the total fund balance was \$29.6 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 23.3% of total General Fund

expenditures of \$80.6 million (including Transfers Out). The unassigned fund balance of \$18.8 million has been designated for the following purposes:

- \$ 5.0 million for major emergencies
- \$8.2 million for economic uncertainty
- \$5.6 million for liquidity

At the end of fiscal year 2013-14 the General Fund ending balance increased by \$4.3 million compared to prior fiscal year. General fund revenues increased by \$4.95 million primarily due to the increase of \$883,000 (5%) in property tax plus an increase of \$ (10.6%) in sales tax. These increases are good measurements of the economic improvement in the City. The expenditures show an increase of \$1.3 million from prior fiscal year. However, the increase in expenditures for fiscal year 2013-14 compared to prior fiscal year demonstrates growth in building the community and the ability to attract new businesses and increase in housing opportunities which eventually improves the city's financials.

**Affordable Housing Asset Fund** - The Affordable Housing Asset Fund was established from the low/moderate housing activities from the former Redevelopment Agency's Low/Moderate Housing Fund. At the end of 2013-14, the restricted fund balance increased by 106.9% to \$909,494.

**Non-major Governmental Funds** - The City's non-major funds are presented in the basic financial statements in the aggregate. At June 30, 2014, non-major funds had a total fund balance of \$13.5 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 increased by \$4.5 million, mainly reflected in the Water Pollution Control Plant's net income of \$4.1 million. Net position for internal service funds at June 30, 2014 amounted to \$8.5 million, an increase of \$75,000.

**Water Pollution Control Plant Enterprise Fund** – The Water Pollution Control Plant Enterprise Fund was established to account for the City's sewers, which protect public health and preserve water quality through collection, treatment, and disposal of wastewater and wastewater solids. As of June 30, 2014, the fund's net position totaled nearly \$52.9 million, an increase of \$4.1 million (8.4%). The Water Pollution Control Plant completed a waste water rate study and increased fees by 5% and the reduction in operating expenditures due to some cost savings measures.

**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, 2014, the fund's net position totaled (\$2.1) million. The deficit has accumulated over many years and includes the transfer of golf course assets in 2003 pursuant to the City's lease with American Golf Company. The deficit will be eliminated over the next several years through cost containment and revenue enhancement.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund ended a net increase of General Fund revenues over the final budget projections of about \$5.3 million, largely attributed to the increase in property and sales tax revenues. Current General Fund revenues grew 6.2% compared to the previous year. Actual revenues received totaled \$85 million, an increase of 6.3% from the final budget. As previously discussed, the increase in property and sales taxes positively impacted the City's General Fund revenues. The \$1.679 in decreased expenditures from the adjusted budget was caused by various factors that include vacant positions and grants that were not fully expended in fiscal year 2014.

### CITY OF SAN LEANDRO Summary Analysis of General Fund Budget, Fiscal Year 2013-14 (in thousands)

	Budget Amounts		Actual (budget basis)	Variance with final budget positive/ (negative)
	Adopted	Final		
<b>Revenue</b>				
Property and other taxes	\$ 64,808	\$ 64,808	\$ 68,911	\$ 4,103
Licenses and permits	6,132	6,132	6,996	864
Fines and forfeitures	1,340	1,340	1,303	(37)
Service charges	2,542	2,542	2,854	312
Intergovernmental	1,021	1,033	1,010	(23)
Use of money and property	1,205	1,205	1,198	(7)
Interdepartment charges	2,002	2,002	2,002	-
Other	443	550	668	118
Total Revenues	<u>79,493</u>	<u>79,612</u>	<u>84,942</u>	<u>5,330</u>
<b>Expenditures</b>				
General government	9,151	10,419	11,310	(891)
Public safety	47,139	47,544	46,198	1,346
Engineering and transportation	7,143	7,248	7,115	133
Recreation and culture	9,073	9,214	9,177	37
Community development	4,299	4,675	3,907	768
Debt Service:				
Principal	1,481	1,481	1,196	285
Interest and Fees	940	940	939	1
Total Expenditures	<u>79,226</u>	<u>81,521</u>	<u>79,842</u>	<u>1,679</u>
Total excess (deficiency of revenues) over expenditures	267	(1,909)	5,100	3,651
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(768)	(776)	(776)	-
Total other financing sources (uses)	<u>(768)</u>	<u>(776)</u>	<u>(776)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (501)</u>	<u>\$ (2,685)</u>	<u>\$ 4,324</u>	<u>\$ 3,651</u>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$325 million (net of accumulated depreciation), a slight decrease of \$2.5 million. Investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar infrastructure.

Major Capital asset activity during the current fiscal year included the following: Downtown Parking Garage and the Water Pollution Control Plant Expansion Projects.

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

<b>City of San Leandro</b>						
<b>Capital Assets (net of depreciation)</b>						
<b>Year Ended June 30, 2014</b>						
<b>(in thousands)</b>						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$14,566	\$14,566	\$ 5,234	\$ 5,234	\$ 19,800	\$ 19,800
Construction in progress	-	10,691	49,527	36,770	49,527	47,461
Total non-depreciable assets	14,566	25,257	54,761	42,004	69,327	67,261
Depreciable assets (net of depreciation)						
Buildings	61,644	53,991	5,108	5,304	66,752	59,295
Improvements other than buildings	36	314	-	-	36	314
Machinery and equipment	2,843	2,686	5,750	5,909	8,593	8,595
Licensed Vehicles	2,912	3,176	5	8	2,917	3,184
Infrastructure	173,630	185,789	3,804	3,181	177,434	188,970
Total depreciable assets	241,065	245,956	\$14,667	\$14,402	255,732	260,358
Total capital assets	<u>\$ 255,631</u>	<u>\$ 271,213</u>	<u>\$ 69,428</u>	<u>\$ 56,406</u>	<u>\$ 325,059</u>	<u>\$ 327,619</u>

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

**Debt Administration.** At the end of the current fiscal year, the City’s total long-term debt outstanding is \$46.7 million, a decrease of \$2.3 million from the prior fiscal year. The net decrease primarily reflects normal debt amortization.

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

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

<b>City of San Leandro</b>						
<b>Outstanding Debt</b>						
<b>Year Ended June 30, 2014</b>						
<b>(in thousands)</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 25,418	\$ 26,468	\$ -	\$ -	\$ 25,418	\$ 26,468
Certificates of participation	18,445	19,250	-	-	18,445	19,250
Other loans	2,802	3,219	37,915	23,427	40,717	26,646
Total	<u>\$ 46,665</u>	<u>\$ 48,937</u>	<u>\$ 37,915</u>	<u>\$ 23,427</u>	<u>\$ 84,580</u>	<u>\$ 72,364</u>

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

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

## **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of San Leandro**  
**Statement of Net Position**  
**June 30, 2014**

<b>ASSETS</b>	Governmental Activities	Business - Type Activities	Total
<b>Current assets:</b>			
Cash and investments (Note 2)	\$ 53,404,626	\$ 24,397,681	\$ 77,802,307
Cash and investments with fiscal agent (Note 2)	91,982	3,615,000	3,706,982
<b>Receivables:</b>			
Property taxes	213,657	-	213,657
Accounts	10,965,948	1,277,745	12,243,693
Interest	163,018	41,599	204,617
Special assessments	107,670	-	107,670
Inventory and prepaid items	126,432	-	126,432
Other assets	98,367	1,252	99,619
<b>Total current assets</b>	<b>65,171,700</b>	<b>29,333,277</b>	<b>94,504,977</b>
<b>Noncurrent assets:</b>			
Loans receivable (Note 3)	13,165,486	-	13,165,486
Internal balances (Note 5)	1,964,620	(1,964,620)	-
Advances to Successor Agency (Note 5C)	2,040,768	-	2,040,768
<b>Capital assets (Note 6):</b>			
Non depreciable	14,566,850	54,761,448	69,328,298
Depreciable	486,906,471	25,292,612	512,199,083
Less accumulated depreciation	(245,841,956)	(10,626,530)	(256,468,486)
<b>Capital assets, net</b>	<b>255,631,365</b>	<b>69,427,530</b>	<b>325,058,895</b>
<b>Total noncurrent assets</b>	<b>272,802,239</b>	<b>67,462,910</b>	<b>340,265,149</b>
<b>Total Assets</b>	<b>337,973,939</b>	<b>96,796,187</b>	<b>434,770,126</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accruals:	9,547,246	2,099,339	11,646,585
Interest payable	250,707	78,117	328,824
Unearned revenue (Note 9)	1,806,683	-	1,806,683
Other liabilities	-	3,615,397	3,615,397
Compensated absences - Due within one year (Note 8)	598,721	43,699	642,420
Claims and judgments payable - Due within one year (Note 12)	1,170,645	-	1,170,645
Long- term debt - Due within one year (Note 7)	2,532,338	207,791	2,740,129
<b>Total current liabilities</b>	<b>15,906,340</b>	<b>6,044,343</b>	<b>21,950,683</b>
<b>Noncurrent liabilities:</b>			
Deposits	-	58,722	58,722
Compensated absences payable - Due in more than one year (Note 8)	2,617,341	441,846	3,059,187
Claims and judgments payable - Due in more than one year (Note 12)	5,502,254	-	5,502,254
Net OPEB obligation (Note 15)	1,619,999	-	1,619,999
Long- term debt - Due in more than one year (Note 7)	44,272,234	37,706,864	81,979,098
<b>Total noncurrent liabilities</b>	<b>54,011,828</b>	<b>38,207,432</b>	<b>92,219,260</b>
<b>Total Liabilities</b>	<b>69,918,168</b>	<b>44,251,775</b>	<b>114,169,943</b>
<b>NET POSITION (Note 10)</b>			
Net investment in capital assets	225,401,873	31,512,875	256,914,748
<b>Restricted for:</b>			
Capital projects	3,085,585	-	3,085,585
Debt service	816,367	-	816,367
Engineering and transportation	7,211,376	-	7,211,376
Recreation and culture	187,480	-	187,480
Community Development	2,255,562	-	2,255,562
Public Safety	814,671	-	814,671
<b>Total restricted</b>	<b>14,371,041</b>	<b>-</b>	<b>14,371,041</b>
Unrestricted	28,282,857	21,031,537	49,314,394
<b>Total Net Position</b>	<b>\$ 268,055,771</b>	<b>\$ 52,544,412</b>	<b>\$ 320,600,183</b>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Activities**  
**For the year ended June 30, 2014**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>						
<b>Governmental Activities:</b>						
General government	\$ 11,609,391	\$ (284,556)	\$ 6,818,754	\$ -	\$ 491,737	\$ 7,310,491
Public safety	47,180,237	-	2,939,820	809,994	-	3,749,814
Engineering and transportation	31,712,176	284,556	1,020,595	1,856,296	6,730,496	9,607,387
Recreation and culture	11,786,747	-	1,843,643	483,272	2,787,609	5,114,524
Community development	5,389,381	-	2,367,055	1,379,977	-	3,747,032
Interest on long-term debt	2,097,257	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>109,775,189</b>	<b>-</b>	<b>14,989,867</b>	<b>4,529,539</b>	<b>10,009,842</b>	<b>29,529,248</b>
<b>Business-type activities:</b>						
Water Pollution Control Plant	7,978,058	-	11,961,374	-	-	11,961,374
Shoreline	1,922,489	-	1,928,280	-	-	1,928,280
Storm Water Utility	1,078,252	-	1,072,146	-	-	1,072,146
Environmental Services	1,027,054	-	673,595	-	-	673,595
<b>Total business-type Activities</b>	<b>12,005,853</b>	<b>-</b>	<b>15,635,395</b>	<b>-</b>	<b>-</b>	<b>15,635,395</b>
<b>Total primary government</b>	<b>\$ 121,781,042</b>	<b>\$ -</b>	<b>\$ 30,625,262</b>	<b>\$ 4,529,539</b>	<b>\$ 10,009,842</b>	<b>\$ 45,164,643</b>

**General revenues:**

Taxes:

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

Total Taxes

- Investment earnings
- Miscellaneous
- Gain or loss on sale of assets

**Total general revenues and transfers**

**Change in net position**

**Net position - Beginning of year**

**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
\$ (4,298,900)	\$ -	\$ (4,014,344)
(43,430,423)	-	(43,430,423)
(22,104,789)	-	(22,389,345)
(6,672,223)	-	(6,672,223)
(1,642,349)	-	(1,642,349)
(2,097,257)	-	(2,097,257)
<u>(80,245,941)</u>		<u>(80,245,941)</u>
-	3,983,316	3,983,316
-	5,791	5,791
-	(6,106)	(6,106)
-	(353,459)	(353,459)
<u>-</u>	<u>3,629,542</u>	<u>3,629,542</u>
<u>(80,245,941)</u>	<u>3,629,542</u>	<u>(76,616,399)</u>
18,514,127	-	18,514,127
29,097,614	-	29,097,614
4,581,920	-	4,581,920
10,157,762	-	10,157,762
3,282,026	-	3,282,026
2,804,181	-	2,804,181
36,768	-	36,768
652,866	417,231	1,070,097
69,127,264	417,231	69,544,495
1,255,043	264,904	1,519,947
514,851	250,775	765,626
16,196	-	16,196
<u>70,913,354</u>	<u>932,910</u>	<u>71,846,264</u>
(9,332,587)	4,562,452	(4,770,135)
<u>277,388,358</u>	<u>47,981,960</u>	<u>325,370,318</u>
<u>\$ 268,055,771</u>	<u>\$ 52,544,412</u>	<u>\$ 320,600,183</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.

*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.

**City of San Leandro  
Governmental Funds  
Balance Sheet  
June 30, 2014**

	Major Funds			Total
	General	Affordable Housing Asset Fund	Non-Major Governmental Funds	
<b>ASSETS</b>				
Cash and investments (Note 2)	\$ 24,098,263	\$ 904,170	\$ 15,895,844	\$ 40,898,277
Cash and investments with fiscal agent (Note2)	-	-	91,982	91,982
Receivables:				
Property taxes	213,657	-	-	213,657
Accounts	7,410,573	4,303	378,484	7,793,360
Federal, State, and local grants	-	-	2,606,442	2,606,442
Interest	55,147	1,439	81,827	138,413
Special Assessment	71,712	-	35,958	107,670
Loans (Note 3)	1,150,139	8,678,013	4,608,579	14,436,731
Due from other funds (Note 5)	1,593,152	-	-	1,593,152
Other assets	13,554	-	83,788	97,342
Advances to other funds (Note 5)	8,106,392	-	-	8,106,392
Advance to Successor Agency (Note 5C)	2,040,768	-	-	2,040,768
<b>Total Assets</b>	<b>\$ 44,753,357</b>	<b>\$ 9,587,925</b>	<b>\$ 23,782,904</b>	<b>\$ 78,124,186</b>
<b>LIABILITIES</b>				
<b>Liabilities:</b>				
Accounts payable and accruals	\$ 8,365,951	\$ 418	\$ 671,993	\$ 9,038,362
Due to other funds (Note 5)	-	-	1,593,152	1,593,152
Advances from other funds (Note 5)	5,141,772	-	1,075,000	6,216,772
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>13,507,723</b>	<b>418</b>	<b>3,340,145</b>	<b>16,848,286</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue - grants receivable	-	-	2,130,265	2,130,265
Unavailable revenue - loans receivable	-	8,678,013	4,850,947	13,528,960
Unavailable revenue - miscellaneous receivables	1,623,278	-	-	1,623,278
<b>Total Deferred Inflow of Resources</b>	<b>1,623,278</b>	<b>8,678,013</b>	<b>6,981,212</b>	<b>17,282,503</b>
<b>Fund Balances: (Note 10)</b>				
Nonspendable	10,147,160	-	-	10,147,160
Restricted	50,000	909,494	15,174,201	16,133,695
Assigned	662,973	-	-	662,973
Unassigned	18,762,223	-	(1,712,654)	17,049,569
<b>Total Fund Balances (Deficit)</b>	<b>29,622,356</b>	<b>909,494</b>	<b>13,461,547</b>	<b>43,993,397</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 44,753,357</b>	<b>\$ 9,587,925</b>	<b>\$ 23,782,904</b>	<b>\$ 78,124,186</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, 2014**

---

**Total fund balances reported on the governmental funds balance sheet** \$ 43,993,397

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. 253,112,096

**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. 8,466,435

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. (Net of allowance for uncollectable loans \$1,271,245) 12,074,310

**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	(1,619,999)
Long-term debt	(46,804,572)
Interest payable	(250,707)
Compensated absences	(3,045,454)
Recognition of grants receivable	<u>2,130,265</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 268,055,771

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, 2014**

	Major Funds			Total
	General	Affordable Housing Asset Fund	Non-Major Governmental Funds	
<b>REVENUES</b>				
Property and other taxes	\$ 68,910,957	\$ -	\$ 542,856	\$ 69,453,813
Licenses and permits	6,996,159	-	704,311	7,700,470
Fines and forfeitures	1,302,814	-	-	1,302,814
Service charges	2,853,823	-	638,402	3,492,225
Intergovernmental	1,009,545	-	10,631,275	11,640,820
Use of money and property	1,198,556	142,439	2,241,418	3,582,413
Interdepartmental charges	2,002,139	-	-	2,002,139
Other	668,000	299,890	245,081	1,212,971
<b>Total Revenues</b>	<b>84,941,993</b>	<b>442,329</b>	<b>15,003,343</b>	<b>100,387,665</b>
<b>EXPENDITURES</b>				
Current:				
General Government	11,310,036	-	40,082	11,350,118
Public safety	46,197,805	-	786,033	46,983,838
Engineering and transportation	7,115,171	-	12,195,318	19,310,489
Recreation and culture	9,177,006	-	1,067,653	10,244,659
Community development	3,907,247	2,799	1,228,330	5,138,376
Debt service:				
Principal	1,195,828	-	1,076,000	2,271,828
Interest and fees	938,823	-	1,225,072	2,163,895
<b>Total Expenditures</b>	<b>79,841,916</b>	<b>2,799</b>	<b>17,618,488</b>	<b>97,463,203</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,100,077</b>	<b>439,530</b>	<b>(2,615,145)</b>	<b>2,924,462</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 5)	-	-	776,000	776,000
Transfers (out) (Note 5)	(776,000)	-	-	(776,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(776,000)</b>	<b>-</b>	<b>776,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,324,077</b>	<b>439,530</b>	<b>(1,839,145)</b>	<b>2,924,462</b>
<b>FUND BALANCES</b>				
Beginning of year	25,298,279	469,964	15,300,692	41,068,935
End of year	\$ 29,622,356	\$ 909,494	\$ 13,461,547	\$ 43,993,397

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, 2014**

---

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 \$ 2,924,462

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

**CAPITAL ASSET TRANSACTIONS**

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

The capital outlay and other expenditures are therefore added back to fund balance 1,364,801  
 Depreciation expense is deducted from the fund balance. The amount excludes the depreciation of \$937,858 (15,873,269)

Net retirements are deducted from fund balance. (666,608)

**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	51,778
Long-term debt	2,271,828
Bond discount	(12,383)
Bond premium	19,888
Interest payable	6,777
Compensated absences	181,227
Net OPEB Liabilities	269,000
Grants receivable	54,937

**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 74,975

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (9,332,587)**

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, 2014**

	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)	\$ 21,994,781	\$ 646,767	\$ 1,756,133	\$ 24,397,681	\$ 12,506,349
Cash with Fiscal Agent (Note 2)	3,615,000	-	-	3,615,000	-
Receivables:					
Accounts	917,237	294,119	66,389	1,277,745	566,146
Interest	37,690	748	3,161	41,599	24,605
Other assets	-	420	832	1,252	1,025
Inventory	-	-	-	-	126,432
<b>Total current assets</b>	<b>26,564,708</b>	<b>942,054</b>	<b>1,826,515</b>	<b>29,333,277</b>	<b>13,224,557</b>
Noncurrent assets:					
Advance to other fund (Note 5)	5,141,772	-	-	5,141,772	75,000
Capital assets (Note 6)					
Non - Depreciable	51,183,638	3,577,810	-	54,761,448	-
Depreciable	19,514,360	5,778,252	-	25,292,612	12,506,025
Less accumulated depreciation	(7,536,973)	(3,089,557)	-	(10,626,530)	(9,986,756)
<b>Total capital assets, net</b>	<b>63,161,025</b>	<b>6,266,505</b>	<b>-</b>	<b>69,427,530</b>	<b>2,519,269</b>
<b>Total noncurrent assets</b>	<b>68,302,797</b>	<b>6,266,505</b>	<b>-</b>	<b>74,569,302</b>	<b>2,594,269</b>
<b>Total Assets</b>	<b>94,867,505</b>	<b>7,208,559</b>	<b>1,826,515</b>	<b>103,902,579</b>	<b>15,818,826</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	1,995,608	69,099	34,632	2,099,339	508,884
Interest payable	-	78,117	-	78,117	-
Other liabilities	3,615,397	-	-	3,615,397	-
Clams and judgments - due in 1 year (Note 12)	-	-	-	-	1,170,645
Compensated absences - due in 1 year (Note 8)	26,451	5,060	12,188	43,699	15,354
Notes payable - due in 1 year (Note 7)	-	207,791	-	207,791	-
<b>Total current liabilities</b>	<b>5,637,456</b>	<b>360,067</b>	<b>46,820</b>	<b>6,044,343</b>	<b>1,694,883</b>
Non-current Liabilities:					
Deposits payable	3,000	55,722	-	58,722	-
Advances from other funds (Note 5)	-	7,106,392	-	7,106,392	-
Claims and judgments - due in more than 1 year (Note 12)	-	-	-	-	5,502,254
Compensated absences - due in more than 1 year (Note 8)	267,450	51,162	123,234	441,846	155,254
Notes Payable - due in more than 1 year (Note 7)	36,022,901	1,683,963	-	37,706,864	-
<b>Total noncurrent liabilities</b>	<b>36,293,351</b>	<b>8,897,239</b>	<b>123,234</b>	<b>45,313,824</b>	<b>5,657,508</b>
<b>Total liabilities</b>	<b>41,930,807</b>	<b>9,257,306</b>	<b>170,054</b>	<b>51,358,167</b>	<b>7,352,391</b>
<b>NET POSITION (Note 10)</b>					
Net investment in capital asset	27,138,124	4,374,751	-	31,512,875	2,519,269
Unrestricted	25,798,574	(6,423,498)	1,656,461	21,031,537	5,947,166
<b>Total Net Position (deficit)</b>	<b>\$ 52,936,698</b>	<b>\$ (2,048,747)</b>	<b>\$ 1,656,461</b>	<b>\$ 52,544,412</b>	<b>\$ 8,466,435</b>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Major Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline	Non- Major Enterprise Funds		
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 11,077,769	\$ 552,155	\$ 1,410,185	\$ 13,040,109	\$ 12,428,371
Licenses and permits	104,089	29,886	311,274	445,249	-
Rents and concessions	-	1,295,673	-	1,295,673	-
Other operating revenues	779,516	50,566	24,282	854,364	254,203
<b>Total Operating Revenues</b>	<b>11,961,374</b>	<b>1,928,280</b>	<b>1,745,741</b>	<b>15,635,395</b>	<b>12,682,574</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	3,935,506	530,346	1,220,234	5,686,086	3,234,066
Contractual and other services	1,797,689	460,856	346,815	2,605,360	5,945,233
Materials and supplies	428,205	45,631	44,986	518,822	871,006
Depreciation	394,402	113,889	-	508,291	937,858
Other operating costs	1,422,256	309,348	493,271	2,224,875	1,679,297
<b>Total Operating Expenses</b>	<b>7,978,058</b>	<b>1,460,070</b>	<b>2,105,306</b>	<b>11,543,434</b>	<b>12,667,460</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,983,316</b>	<b>468,210</b>	<b>(359,565)</b>	<b>4,091,961</b>	<b>15,114</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Property and other taxes	-	417,231	-	417,231	-
Intergovernmental	-	-	250,775	250,775	-
Investment income	248,817	615	15,472	264,904	59,861
Interest expense	-	(462,419)	-	(462,419)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>248,817</b>	<b>(44,573)</b>	<b>266,247</b>	<b>470,491</b>	<b>59,861</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>4,232,133</b>	<b>423,637</b>	<b>(93,318)</b>	<b>4,562,452</b>	<b>74,975</b>
<b>TRANSFERS:</b>					
Transfers in (Note 5)	-	-	132,782	132,782	-
Transfers (out) (Note 5)	(132,782)	-	-	(132,782)	-
<b>Total operating transfers</b>	<b>(132,782)</b>	<b>-</b>	<b>132,782</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>4,099,351</b>	<b>423,637</b>	<b>39,464</b>	<b>4,562,452</b>	<b>74,975</b>
<b>NET POSITION (DEFICIT):</b>					
Net Position-Beginning of year	48,837,347	(2,472,384)	1,616,997	47,981,960	8,391,460
Net Position-Ending of year	\$ 52,936,698	\$ (2,048,747)	\$ 1,656,461	\$ 52,544,412	\$ 8,466,435

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Major Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline	Non- Major Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 12,025,857	\$ 1,850,903	\$ 1,791,150	\$ 15,667,910	\$ 273,178
Receipts from interfund charges	-	-	-	-	12,428,486
Cash payment to suppliers and service providers	(3,349,843)	(468,237)	(397,062)	(4,215,142)	(6,876,152)
Cash payments to employees for services	(3,916,149)	(559,995)	(1,230,324)	(5,706,468)	(3,292,841)
Cash payments to other funds for services provided	(1,422,256)	(309,348)	(493,684)	(2,225,288)	(1,679,297)
<b>Net cash provided (used) by operating activities</b>	<b>3,337,609</b>	<b>513,323</b>	<b>(329,920)</b>	<b>3,521,012</b>	<b>853,374</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Property and other taxes received	-	417,231	-	417,231	-
Intergovernmental revenue received	-	-	250,775	250,775	-
Interfund loan	435,455	-	-	435,455	75,000
Transfers in from other funds	-	-	132,782	132,782	-
Transfer out to other funds	(132,782)	-	-	(132,782)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>302,673</b>	<b>417,231</b>	<b>383,557</b>	<b>1,103,461</b>	<b>75,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal paid on capital debt	-	(198,842)	-	(198,842)	-
Acquisition of capital assets	(13,529,935)	-	-	(13,529,935)	(530,933)
Issuance of long-term debt	14,686,846	-	-	14,686,846	-
Interest payments on bonds and notes payable	-	(470,622)	-	(470,622)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>1,156,911</b>	<b>(669,464)</b>	<b>-</b>	<b>487,447</b>	<b>(530,933)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income (expense)	246,271	170	12,594	259,035	60,509
<b>Net cash provided (used) by investing activities</b>	<b>246,271</b>	<b>170</b>	<b>12,594</b>	<b>259,035</b>	<b>60,509</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,043,464</b>	<b>261,260</b>	<b>66,231</b>	<b>5,370,955</b>	<b>457,950</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	20,566,317	385,507	1,689,902	22,641,726	12,048,399
Cash and investments at end of year	\$ 25,609,781	\$ 646,767	\$ 1,756,133	\$ 28,012,681	\$ 12,506,349
<b>RECONCILIATION OF OPERATING INCOME/ (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 3,983,316	\$ 468,210	\$ (359,565)	\$ 4,091,961	\$ 15,114
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	394,402	113,889	-	508,291	937,858
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	446,613	(77,814)	57,973	426,772	18,975
(Increase) decrease in inventories	-	-	-	-	(840)
(Increase) decrease in other assets	1,452	(\$420)	(413)	619	(621)
(Decrease) increase in accounts payable	(2,462,798)	38,250	(5,261)	(2,429,809)	(33,112)
(Decrease) increase in deposits payable	-	857	-	857	-
(Decrease) increase claims and judgments payable	1,337,397	-	-	1,337,397	(25,225)
(Decrease) increase in unearned revenue	(382,130)	-	(12,564)	(394,694)	-
(Decrease) increase in compensated absences	19,357	(29,649)	(10,090)	(20,382)	(58,775)
<b>Total adjustments</b>	<b>3,337,609</b>	<b>513,323</b>	<b>(329,920)</b>	<b>3,521,012</b>	<b>3,704,415</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 3,337,609</b>	<b>\$ 513,323</b>	<b>\$ (329,920)</b>	<b>\$ 3,521,012</b>	<b>\$ 853,374</b>

See Accompanying Notes to Basic Financial Statements

## FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

**City of San Leandro**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	Agency Funds	Private-Purpose Trust Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments (Note 2)	\$ 2,371,997	\$ 5,222,410
Cash and investments with fiscal agents (Note 2)	448,960	12,964,716
Accounts Receivable	2,342	5,115
Interest Receivable	671	8,758
Total Current Assets	<u>2,823,970</u>	<u>18,200,999</u>
Noncurrent assets:		
Capital assets (Note 17C):		
Land	-	2,949,885
Depreciable assets, net	-	1,375,311
Total non-current assets	<u>-</u>	<u>4,325,196</u>
<b>Total assets</b>	<u><u>\$ 2,823,970</u></u>	<u><u>\$ 22,526,195</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 102,593	\$ 343,690
Deposits payable	1,277,694	-
Interest payable	-	744,168
Advance from general fund (Note 17B)	-	2,040,768
Long-term debt - due in one year (Note 17D)	-	3,556,049
Due to bondholders	1,443,683	-
Other liabilities	-	603,480
Total current liabilities	<u>\$ 2,823,970</u>	<u>7,288,155</u>
Noncurrent Liabilities:		
Long-term debt - due in more than one year (Note 17D)		<u>48,143,263</u>
Total non current liabilities		<u>48,143,263</u>
<b>Total liabilities</b>		<u>55,431,418</u>
<b>NET POSITION</b>		
Held in trust for private purposes		<u><u>\$ (32,905,223)</u></u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund**  
**Statement of Changes in Fiduciary Net Position**  
**June 30, 2014**

---

Additions:

Property taxes	\$ 8,955,619
Use of money and property	49,225
Other revenue	<u>134,636</u>
Total additions	<u>9,139,480</u>

Deductions:

Community development	3,162,615
Depreciation	34,282
Interest and Fees	<u>2,345,374</u>
Total deductions	<u>5,542,271</u>

Change in net position	3,597,209
------------------------	-----------

NET POSITION HELD IN TRUST

Net position - beginning, as restated (Note 17E)	<u>(36,502,432)</u>
Net position - end	<u><u>\$ (32,905,223)</u></u>

See Accompanying Notes to Basic Financial Statements

**City of San Leandro**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

<b>NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES .....</b>	<b>44</b>
A. Financial Reporting .....	44
B. Government-Wide Financial Statements .....	45
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation .....	45
D. Recognition of Interest Liability .....	47
E. Use of Restricted and Unrestricted Net Assets .....	47
F. Cash, Cash Equivalents and Investments .....	47
G. Inventory .....	48
H. Capital Assets .....	48
I. Long-Term Debt .....	49
J. Compensated Absences .....	49
K. Property Taxes .....	49
L. Use of Estimates .....	49
M. Implementation of New GASB Pronouncements .....	49
<b>NOTE 2 – CASH AND INVESTMENTS .....</b>	<b>50</b>
A. Cash Deposits.....	50
B. Investments .....	51
<b>NOTE 3 – LOANS RECEIVABLE .....</b>	<b>54</b>
<b>NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES .....</b>	<b>56</b>
<b>NOTE 5 – INTERFUND TRANSACTIONS .....</b>	<b>56</b>
A. Fund Financial Statements – Interfund Receivables and Payables .....	56
B. Fund Financial Statements – Long Term Advances .....	56
C. Fund Financial Statements – Due from Successor Agency .....	57
D. Fund Financial Statements – Transfers .....	57
E. Fund Financial Statements – Internal Balances .....	58
<b>NOTE 6 – CAPITAL ASSETS .....</b>	<b>58</b>
A. Government-Wide Financial .....	58
B. Fund Financial Statements .....	60
<b>NOTE 7 – LONG-TERM DEBT OBLIGATIONS .....</b>	<b>61</b>
A. Governmental Activities Long-Term Debt .....	61
B. Long-Term Debt of Business-Type and Proprietary Funds .....	65
C. Debt Covenants and Restrictions .....	66
<b>NOTE 8 – COMPENSATED ABSENCES.....</b>	<b>66</b>

**City of San Leandro**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2014 (Continued)**

<b>NOTE 9 – UNEARNED REVENUE .....</b>	<b>66</b>
A. Government-Wide Financial Statements .....	66
<b>NOTE 10 – NET POSITION AND FUND BALANCES .....</b>	<b>67</b>
A. Net Position .....	67
B. Fund Balances .....	67
C. Encumbrances .....	68
D. Contingency Arrangements .....	68
<b>NOTE 11 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY .....</b>	<b>70</b>
A. Fund Deficits .....	70
B. Expenditures in Excess of Appropriations .....	70
<b>NOTE 12 – INSURANCE .....</b>	<b>70</b>
<b>NOTE 13 – COMMITMENTS AND CONTINGENCIES .....</b>	<b>71</b>
<b>NOTE 14 – EMPLOYEE RETIREMENT PLANS .....</b>	<b>71</b>
<b>NOTE 15 – OTHER POST EMPLOYMENT BENEFITS .....</b>	<b>74</b>
A. Plan Description .....	74
B. Funding Policy .....	74
C. Plan Funded Status Information .....	75
D. Actuarial Methods and Assumptions .....	76
<b>NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS .....</b>	<b>76</b>
<b>NOTE 17 – SUCCESSOR AGENCY ACTIVITIES .....</b>	<b>77</b>
A. Cash and Investments .....	77
B. Advances from the City.....	77
C. Capital Assets .....	78
D. Long-Term Debt Obligations .....	79
E. Governmental Accounting Standards Board (GASB) Statement No. 65 Restatement .....	84

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Financial Reporting Entity***

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

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

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

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

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

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

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

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

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

The City reports the following major governmental funds:

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

The *Affordable Housing Asset Fund* accounts for the low to moderate housing and neighborhood improvement program.

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:

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

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

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

***G. Inventory***

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

***H. Capital Assets***

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

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

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City included all infrastructures into the 2013-14 Basic Financial Statements.

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

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

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

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

***J. Compensated Absences***

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

***K. Property Taxes***

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

***L. Use of Estimates***

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

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

**GASB Statement No. 65** - This Statement establishes accounting and financial reporting standards that reclassify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources, and certain items that were previously reported as assets and liabilities recognizes as outflows of resources or inflows of resources.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

Statement No. 63 established the financial statement presentation for deferred inflows and deferred outflows, and Statement No. 65 makes other changes and defines certain transactions subject to this new presentation which include: Refunding of Debt - For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt Issuance Costs - Except for any portion related to prepaid insurance costs, debt issuance costs should be recognized as an expense in the period incurred. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

**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 \$5,847,116 at June 30, 2014. Bank balances before reconciling items were \$5,545,557 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, 2014**

**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, 2014, are classified as follows:

Statement of net position:	
Cash and Investments	\$ 77,802,307
Cash and Investments held by trustee	3,706,982
Fiduciary Funds:	
Cash and Investments	7,594,407
Cash with fiscal agents	<u>13,413,676</u>
Total cash and investments	<u><u>\$ 102,517,372</u></u>
Cash and investments as of June 30, 2014, are classified as follows:	
Deposits with financial institutions	\$ 5,834,115
Investments	<u>96,683,257</u>
Total cash and investments	<u><u>\$ 102,517,372</u></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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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	\$ 20,738,675	\$ 7,054,884	\$ 6,943,621	\$ 6,740,170
Money Market Fund	6,989,590	6,989,590		
U.S. Treasury Notes	8,352,590	2,034,038	2,366,391	3,952,161
Local Agency Investment Fund (LAIF)	43,531,878	43,531,878		
Corporate bonds	9,507,364	1,767,052	1,907,491	5,832,821
Held by Bond Trustee:				
U.S. Treasury Money Market Funds	7,563,160	7,563,160		
<b>Total</b>	<b>\$ 96,683,257</b>	<b>\$ 68,940,602</b>	<b>\$ 11,217,503</b>	<b>\$ 16,525,152</b>

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

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

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

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

*Investments in Local Agency Investment Fund*

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

The City valued its investments in LAIF as of June 30, 2014, at the market value. The fair value is calculated by multiplying the account balance with LAIF times a fair value factor of 1.00029875 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, 2014, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

*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:

<b>U.S. Agencies</b>	<b>Amount Invested</b>	<b>Percentage of Investments</b>
Federal agency securities:		
Federal Home Loan Banks (FHLB)	\$ 5,066,018	5.24%
Federal Home Loan Mortgage Corporation (FHMLC)	6,541,894	6.77%
Federal National Mortgage Association (FNMA)	5,923,374	6.13%
Total	<u>\$ 17,531,286</u>	<u>18.13%</u>

*Disclosures Relating to Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Entity's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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	\$ 20,738,675	N/A				\$ 20,738,675
Money Market Fund	6,989,590	N/A			\$ 6,989,590	
U.S. Treasury Notes	8,352,590	N/A	\$ 8,352,590			
Local Agency Investment Fund	43,531,878	N/A		\$ 43,531,878		
Corporate bonds	9,507,364	A				1,010,375
Held by Bond Trustee:						
U.S. Treasury Money Market Funds	7,563,160	A				7,563,160
<b>Total</b>	<u>\$ 96,683,257</u>		<u>\$ 8,352,590</u>	<u>\$ 43,531,878</u>	<u>\$ 6,989,590</u>	<u>\$ 29,312,210</u>
		<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>A</u>	<u>A-</u>
Corporate bonds		<u>\$ 1,631,213</u>	<u>\$ 1,358,292</u>	<u>\$ 2,766,150</u>	<u>\$ 2,294,981</u>	<u>\$ 446,353</u>

**NOTE 3 – LOANS RECEIVABLE**

At June 30, 2014, the City had loans receivable in the following funds:

<b>Governmental Funds:</b>	
General Fund	\$ 1,150,139
Affordable Housing Asset Special Revenue Fund	8,678,013
Non Major Funds:	
Community Development Block Grant (CDBG)	736,579
HOME Fund	3,235,000
Housing In-Lieu	<u>637,000</u>
<b>Total Governmental Funds</b>	<u>14,436,731</u>
Less allowance for uncollectible loans:	
Community Development Block Grant (CDBG)	681,305
Affordable Housing Asset Fund	<u>589,940</u>
<b>Total Government-Wide Financials</b>	<u>\$ 13,165,486</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

At June 30, 2014, the City was owed, in the General Fund, \$139 for assistance to close escrow related to property acquisition.

At June 30, 2014, the City was owed, in the General Fund, \$1,150,000 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, 2014, the City was owed, in its Low/Moderate Asset Housing Fund, \$8,678,013 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. Because the notes do not meet the City's availability criteria for revenue recognition, the City has deferred the revenue related to these loans. Revenues are recognized in the year of repayment. Loans are secured by trust deeds. In the Government-Wide Financial Statement, \$589,940 of the receivable was reduced by allowance for uncollectible loans.

At June 30, 2014, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$736,579 for various housing assistance loans made by the City. The terms of repayment vary. Because the notes do not meet the City's availability criteria for revenue recognition, the City has deferred the revenue related to these loans. Revenue is recognized in the year of repayment. The loans are secured by trust deeds. In the Government-Wide Financial Statement, \$681,305 of the receivable was reduced by allowance for uncollectible loans.

At June 30, 2014, the City was owed, in its HOME Special Revenue Fund, \$3,235,000 for a housing assistance loan made by the City to Citizens' Housing Corporation. The terms of repayment vary. Because the note does not meet the City's availability criteria for revenue recognition, the City has deferred the revenue related to this loan. Revenue is recognized in the year of repayment. The loan is secured by trust deeds.

At June 30, 2014, 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. Because the note does not meet the City's availability criteria for revenue recognition, the City has deferred the revenue related to this loan. Revenue is recognized in the year of repayment. The loan is secured by trust deeds.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Receivables and Payables**

At June 30, 2014, 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	<u>\$ 1,593,152</u>

The City has recorded due to/due from all funds requiring cash at the end of June 30, 2013 to the funds that had deficit year-end balances which will be repaid back to the General Fund during the 2013-14 fiscal year.

**B. Long-Term Advances**

Long-term advances to be repaid out of future earnings or charges at June 30, 2014, consisted of:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,000,000
	Shoreline Enterprise Fund	<u>7,106,392</u>
		8,106,392
Internal Service Fund	Non-Major Governmental Funds	75,000
Water Pollution Control Plant Enterprise Fund	General Fund	<u>5,141,772</u>
	<b>Total</b>	<u>\$ 13,323,164</u>

The City Council authorized a General Fund loan to the Capital Improvement Project fund for the improvement project on Davis Street. The loan accrues interest annually at the pooled cash investment rate. The balance as of June 30, 2014, was \$1,000,000.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

The City Council authorized General Fund loans to the Shoreline Enterprise Fund for capital improvements at the Marina and Golf Course. The loans are to be paid over 30 years with an annual interest accrual rate of 5%. Principal payments are made annually provided the fund has sufficient resources. The balance as of June 30, 2014, was \$3,160,152 and \$3,946,240 for the Marina and the Golf Course, respectively, for a total of \$7,106,392.

The City Council authorized a loan from the Information Management Internal Service Fund to the Public Education & Government Special Revenue Fund for the Council Chambers upgrade to provide televised meetings. The balance as of June 30, 2014, was \$75,000.

The City Council authorized loan to the General Fund from the Water Pollution Control Plant for the partial payment of the Public Safety Side Fund Obligation. The \$6,000,000 loan was to pay-down the CalPERS Public Safety Side Fund with a long term adjustable rate of 4% or less annually for 13 years. The balance as of June 30, 2014, was \$5,141,772.

**C. Due from Successor Agency**

The City Council authorized various loans to the Private Purpose Trust Fund from the General Fund for operating and capital improvement purposes. Interest accrues annually at the rate of 6%. The balance as of June 30, 2014, was \$2,040,768.

**D. Transfers**

Transfers during the fiscal year ended June 30, 2014, comprised the following:

	Transfers Out:		
	Governmental Funds	Enterprise Funds	Total
Transfers In	General Fund	Water Pollution Control Plant	
Non-major	\$	\$	\$ -
Governmental Funds	776,000	-	776,000
Non-major Enterprise Funds	-	132,782	132,782
<b>Total</b>	<b>\$ 776,000</b>	<b>\$ 132,782</b>	<b>\$ 908,782</b>

The City Council authorized transfers from the General Fund to various funds for fiscal year 2013-2014 to the following accounts and projects:

Special Gas Tax Fund	\$ 768,000	Street Improvement Projects
Capital Improvement Fund	8,000	Capital Improvement Projects
	<u>\$ 776,000</u>	

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 5 - 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 6 – CAPITAL ASSETS**

*A. Government-Wide Financial Statements*

At June 30, 2014, the City’s capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 14,566,850	\$ 5,234,310	\$ 19,801,160
Construction in Progress		49,527,138	49,527,138
<b>Total non-depreciable assets</b>	<b>14,566,850</b>	<b>54,761,448</b>	<b>69,328,298</b>
Depreciable assets:			
Buildings	82,063,548	11,012,283	93,075,831
Improvements	4,692,847	113,416	4,806,263
Machinery and Equipment	9,542,269	9,389,787	18,932,056
Licensed Vehicles	9,966,199	84,923	10,051,122
Infrastructure:			
Park Irrigation Systems	4,668,420		4,668,420
Medians Irrigation	10,145,502		10,145,502
Park Structures	2,848,650		2,848,650
Roadway	250,615,643		250,615,643
Sidewalk	74,895,578		74,895,578
Curb and Gutter	37,447,790		37,447,790
Underground Piping and Storm Drain	20,025	4,692,203	4,712,228
<b>Total depreciable assets</b>	<b>486,906,471</b>	<b>25,292,612</b>	<b>512,199,083</b>
Less accumulated depreciation	(245,841,956)	(10,626,530)	(256,468,486)
Total depreciable assets, net	241,064,515	14,666,082	255,730,597
<b>Total capital assets</b>	<b>\$ 255,631,365</b>	<b>\$ 69,427,530</b>	<b>\$ 325,058,895</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions and</u> <u>Transfers</u>	<u>Deletions and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 14,566,850	\$	\$	\$ 14,566,850
Construction In Progress	10,690,195	745,044	(11,435,239)	
<b>Total Non-Depreciable Assets</b>	<u>25,257,045</u>	<u>745,044</u>	<u>(11,435,239)</u>	<u>14,566,850</u>
<b>Depreciable Assets:</b>				
Buildings	73,780,162	9,532,221	(1,248,835)	82,063,548
Improvements	4,951,451		(258,604)	4,692,847
Machinery and equipment	8,661,976	921,894	(41,601)	9,542,269
Licensed Vehicles	9,479,338	752,742	(265,881)	9,966,199
Infrastructure	379,152,957	1,488,651		380,641,608
<b>Total Depreciable Assets</b>	<u>476,025,884</u>	<u>12,695,508</u>	<u>(1,814,921)</u>	<u>486,906,471</u>
<b>Accumulated Depreciation:</b>				
Buildings	(19,788,961)	(1,441,888)	811,684	(20,419,165)
Improvements	(4,638,327)	(53,451)	34,480	(4,657,298)
Machinery and equipment	(5,975,723)	(759,827)	36,267	(6,699,283)
Licensed Vehicles	(6,302,606)	(907,474)	156,302	(7,053,778)
Infrastructure	(193,363,945)	(13,648,487)		(207,012,432)
<b>Total Accumulated Depreciation</b>	<u>(230,069,562)</u>	<u>(16,811,127)</u>	<u>1,038,733</u>	<u>(245,841,956)</u>
<b>Depreciable Assets, Net</b>	<u>245,956,322</u>	<u>(4,115,619)</u>	<u>(776,188)</u>	<u>241,064,515</u>
<b>Total Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 271,213,367</u>	<u>\$ (3,370,575)</u>	<u>\$ (12,211,427)</u>	<u>\$ 255,631,365</u>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2014, are as follows:

General Government	\$ 317,465
Public Safety	476,198
Transportation	13,174,813
Recreation and Human services	1,587,327
Community Development	317,465
Subtotal	<u>15,873,268</u>
Capital assets held by the City's Internal Service Funds	<u>937,858</u>
<b>Total Depreciation Expense</b>	<u>\$ 16,811,126</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

	<b>Balance July 1, 2013</b>	<b>Additions and Transfers</b>	<b>Deletions and Transfers</b>	<b>Balance June 30, 2014</b>
<b>Non-Depreciable Assets:</b>				
Land	\$ 5,234,310	\$	\$	\$ 5,234,310
Construction in Progress	36,770,201	13,457,997	(701,060)	49,527,138
<b>Total Non-Depreciable Assets</b>	<b>42,004,511</b>	<b>13,457,997</b>	<b>(701,060)</b>	<b>54,761,448</b>
<b>Depreciable Assets:</b>				
Buildings	11,012,283			11,012,283
Improvements	113,416			113,416
Machinery and equipment	9,551,808	74,408	(236,429)	9,389,787
Licensed Vehicles	84,923			84,923
Infrastructure	3,991,143	701,060		4,692,203
<b>Total Depreciable Assets</b>	<b>24,753,573</b>	<b>775,468</b>	<b>(236,429)</b>	<b>25,292,612</b>
<b>Accumulated Depreciation:</b>				
Buildings	(5,707,726)	(197,333)		(5,905,059)
Improvements	(113,416)			(113,416)
Machinery and equipment	(3,643,426)	(230,497)	233,959	(3,639,964)
Licensed Vehicles	(77,323)	(2,666)		(79,989)
Infrastructure	(810,307)	(77,795)		(888,102)
<b>Total Accumulated Depreciation</b>	<b>(10,352,198)</b>	<b>(508,291)</b>	<b>233,959</b>	<b>(10,626,530)</b>
<b>Total Business-Type Activities Capital Assets, Net</b>	<b>\$ 56,405,886</b>	<b>\$ 13,725,174</b>	<b>\$ (703,530)</b>	<b>\$ 69,427,530</b>

**B. Funds Financial Statements**

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 7 - LONG-TERM DEBT**

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

Summary of changes in governmental activities long-term debt for the year ended June 30, 2014, follows:

<i>Governmental Activity Debt:</i>	Balance June 30, 2013	Retirements	Balance June 30, 2014	Due within one year	Due in more than one year
<b>Certificates of Participation Bonds:</b>					
2007 Certificates of Participation	\$ 19,250,000	\$ (805,000)	\$ 18,445,000	\$ 840,000	\$ 17,605,000
<b>Lease Revenue Bonds:</b>					
2013 Refunding Lease Revenue Bonds					
City portion	8,883,000	(140,000)	8,743,000	140,000	8,603,000
2012 Taxable Pension Obligation Bonds	17,585,000	(910,000)	16,675,000	1,120,000	15,555,000
Total Governmental Activity Debt	<u>45,718,000</u>	<u>(1,855,000)</u>	<u>43,863,000</u>	<u>2,100,000</u>	<u>41,763,000</u>
<b>Capital Leases:</b>					
2010 Pumper Truck	195,588	(95,881)	99,707	99,707	
2011 Fire Truck	785,232	(189,947)	595,285	194,126	401,159
Total Capital Leases	<u>980,820</u>	<u>(285,828)</u>	<u>694,992</u>	<u>293,833</u>	<u>401,159</u>
<b>Other Debt</b>					
HUD 108 Loan - Guarantee Loan - Senior Center	2,238,000	(131,000)	2,107,000	131,000	1,976,000
Total Other Debt	<u>2,238,000</u>	<u>(131,000)</u>	<u>2,107,000</u>	<u>131,000</u>	<u>1,976,000</u>
Total Government Activity Debt	<u>\$ 48,936,820</u>	<u>\$ (2,271,828)</u>	<u>\$ 46,664,992</u>	<u>\$ 2,524,833</u>	<u>\$ 44,140,159</u>
Plus unamortized:					
Discount (2007 TAB)	\$ (36,219)	\$ 2,264	\$ (33,955)	\$ (2,264)	\$ (31,691)
Discount (2012 POB)	(110,039)	10,119	(99,920)	(10,119)	(89,801)
Premium (2013 RLRB)	293,343	(19,888)	273,455	19,888	253,567
Total General Long-term Obligations	<u>\$ 49,083,905</u>	<u>\$ (2,279,333)</u>	<u>\$ 46,804,572</u>	<u>\$ 2,532,338</u>	<u>\$ 44,272,234</u>

2007 Certificates of Participation

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

At June 30, 2014, future debt service requirements for the 2007 COPs follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 840,000	\$ 759,319	\$ 1,599,319
2016	870,000	725,119	1,595,119
2017	910,000	689,519	1,599,519
2018	945,000	652,418	1,597,418
2019	985,000	613,818	1,598,818
2020-2024	5,535,000	2,426,390	7,961,390
2025-2029	6,815,000	1,108,358	7,923,358
2030	1,545,000	33,797	1,578,797
	<u>\$ 18,445,000</u>	<u>\$ 7,008,738</u>	<u>\$ 25,453,738</u>

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

2013 Refunding Lease Revenue Bonds

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

The refunding of the 2003 COPs resulted in a present value of savings of \$928,703 of the refunded bonds. At June 30, 2014, future debt service requirements for the City's portion of the 2013 RLRB follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 140,000	\$ 304,366	\$ 444,366
2016	140,000	300,866	440,866
2017	587,000	289,961	876,961
2018	601,000	272,141	873,141
2019	621,000	253,811	874,811
2020-2024	3,429,000	943,880	4,372,880
2025-2028	3,225,000	274,956	3,499,956
	<u>\$ 8,743,000</u>	<u>\$ 2,639,981</u>	<u>\$ 11,382,981</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

2012 Taxable Pension Obligation Bonds

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

At June 30, 2014, 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>
2015	\$ 1,120,000	\$ 729,404	\$ 1,849,404
2016	1,210,000	708,124	1,918,124
2017	1,305,000	678,236	1,983,236
2018	1,415,000	636,868	2,051,868
2019	1,540,000	585,644	2,125,644
2020-2024	10,085,000	1,690,639	11,775,639
	<u>\$ 16,675,000</u>	<u>\$ 5,028,915</u>	<u>\$ 21,703,915</u>

2010 Master Equipment Lease/Purchase Agreement

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

At June 30, 2014, future debt service requirements for the 2010 Master Equipment Lease Purchase Agreement follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	<u>\$ 99,707</u>	<u>\$ 3,978</u>	<u>\$ 103,685</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

2012 Fire Truck Lease

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

At June 30, 2014, future debt service requirements for the 2012 Lease Purchase Agreement follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 194,126	\$ 13,096	\$ 207,222
2016	198,397	8,825	207,222
2017	202,762	4,461	207,223
	<u>\$ 595,285</u>	<u>\$ 26,382</u>	<u>\$ 621,667</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, 2014 future debt service requirements for the HUD 108 Guarantee loan follows:

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 131,000	\$ 73,037	\$ 204,037
2016	131,000	70,417	201,417
2017	131,000	67,233	198,233
2018	131,000	63,584	194,584
2019	131,000	59,635	190,635
2020-2024	660,000	230,023	890,023
2025-2029	660,000	99,450	759,450
2030	132,000	2,911	134,911
	<u>\$ 2,107,000</u>	<u>\$ 666,290</u>	<u>\$ 2,773,290</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

Summary of changes in long-term debt of business-type and proprietary funds for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year	Due in more than one year
Marina Note	\$ 2,090,596	\$	\$ 198,841	\$ 1,891,755	\$ 207,791	\$ 1,683,964
State Water Resources Control Board	21,336,055	14,686,845		36,022,900		36,022,900
Total	<u>\$ 23,426,651</u>	<u>\$ 14,686,845</u>	<u>\$ 198,841</u>	<u>\$ 37,914,655</u>	<u>\$ 207,791</u>	<u>\$ 37,706,864</u>

State Water Resources Control Board

On August 4, 2011, the City entered into a Finance Agreement with the State Water Resources Control Board in the total principal amount of \$43,000,000, for the purpose of financing the Wastewater System Expansion and Improvement Project. The loan bears an interest rate of 2.6%. Principal and interest payments are payable annually on July 1. The debt is secured by the WPCP Enterprise Fund operating revenues. At June 30, 2014, the City has drawn down \$36.02 million from the State Water Resource Control Board and the remaining balance of \$6.98 million is expected to be drawn down in fiscal year 2014-15.

There was no debt service payment in fiscal year 2013-14, with the first debt service payment of \$4.2 million due in fiscal year ending 2015-16. Future debt service is expected to average \$3 million per year through fiscal year 2034-35 for a total \$58.8 million.

Marina Cal Boating Notes Payable

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

At June 30, 2014, future debt service requirements for the Marina Cal Boating Notes Payable are as follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 207,791	\$ 85,219	\$ 293,010
2016	217,141	75,868	293,009
2017	226,911	66,098	293,009
2018	237,124	55,887	293,011
2019	247,793	45,216	293,009
2020-2024	688,907	76,752	765,659
2025-2027	66,088	6,218	72,306
	<u>\$ 1,891,755</u>	<u>\$ 411,258</u>	<u>\$ 2,303,013</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

*C. Debt Covenants and Restrictions*

For June 30, 2014, the City complied with all general and specific covenants regarding debt proceeds usage and debt repayment. In accordance with bond official statements, the City also maintained adequate reserves for all debt issues.

**NOTE 8 – COMPENSATED ABSENCES**

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

Summary of changes in compensated absences for the year ended June 30, 2014, follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Due within one year	Due in more than one year
Governmental Activities	\$ 3,456,064	\$ 518,869	\$ (758,871)	\$ 3,216,062	\$ 598,721	\$ 2,617,341
Business-type Activities	505,927	19,358	(39,740)	485,545	43,699	441,846
<b>Total</b>	<u>\$ 3,961,991</u>	<u>\$ 538,227</u>	<u>\$ (798,611)</u>	<u>\$ 3,701,607</u>	<u>\$ 642,420</u>	<u>\$ 3,059,187</u>

**NOTE 9 – UNEARNED REVENUE**

*A. Governmental-Wide Financial Statements*

Unearned revenue in the Government-Wide Financial Statements represents amounts for which revenues have not been earned. At June 30, 2014, unearned revenues in the Government-Wide Financial Statements follows:

	Governmental Activities
Unearned revenue	<u>\$ 1,806,683</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

**A. Net Position**

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

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

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

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

**B. Fund Balances**

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

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

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

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

*Committed* fund balances have constraints imposed by formal action of the City's highest level decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources. As of June 30, 2014, the City does not have committed fund balance.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

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

**C. Encumbrances**

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

As of June 30, 2014, the General Fund had outstanding encumbrances of \$662,973.

**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, 2014, the following are reported within the unassigned fund balance of the General Fund:

Major Emergencies	\$	5,000,000
Economic Uncertainty		8,170,007
Other		5,008,849
Compensated Absences		583,367
Total	\$	18,762,223

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

Detailed classifications of the City’s Fund Balances, as of June 30, 2014, are below:

	<u>Major Funds</u>		<u>Non-Major Governmental Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Affordable Housing Asset Fund</u>		
<b>Nonspendables:</b>				
Advances to Other Funds	\$ 8,106,392	\$	\$	\$ 8,106,392
Loan to Successor Agency	2,040,768			2,040,768
<b>Total Nonspendable Fund Balances</b>	<u>10,147,160</u>			<u>10,147,160</u>
<b>Restricted for:</b>				
Internship	50,000			50,000
Affordable Housing		909,494		909,494
Subtotal	<u>50,000</u>	<u>909,494</u>		<u>959,494</u>
Debt Service				
Special Assessment District			68,147	68,147
San Leandro Public Financing Authority			645,801	645,801
Subtotal			<u>713,948</u>	<u>713,948</u>
Capital Projects				
Capital Improvement Projects			3,070,662	3,070,662
GHAD			14,923	14,923
Subtotal			<u>3,085,585</u>	<u>3,085,585</u>
Non-Major Governmental Funds				
Street/ Traffic Improvements			1,187,399	1,187,399
Park Development Fees			360,828	360,828
Underground Utility			1,647,524	1,647,524
Special Gas Tax			1,861,734	1,861,734
Cherrywood Maintenance			318,474	318,474
Measure B - Paratransit			102,419	102,419
Asset Seizure			814,671	814,671
Heron Bay			804,506	804,506
Proposition 1B - Local Streets & Roads			12,796	12,796
Measure B			3,354,656	3,354,656
Measure F			499,093	499,093
CDBG			116,457	116,457
HOME			22,977	22,977
Housing In- Lieu			80,467	80,467
Business Improvement District			3,187	3,187
Public Education and Government			187,480	187,480
Subtotal			<u>11,374,668</u>	<u>11,374,668</u>
<b>Total Restricted Fund Balances</b>	<u>50,000</u>	<u>909,494</u>	<u>15,174,201</u>	<u>16,133,695</u>
<b>Assigned to:</b>				
Encumbrances	662,973			662,973
<b>Total Assigned Fund Balances</b>	<u>662,973</u>			<u>662,973</u>
<b>Unassigned:</b>				
General fund - Compensated Absences	583,367			583,367
General fund - Major Emergencies	5,000,000			5,000,000
General fund - Economic Uncertainty	8,170,007			8,170,007
General fund - Other	5,008,849			5,008,849
Parking Fund - Deficit			(37,203)	(37,203)
Special Grants Fund - Deficit			(1,675,451)	(1,675,451)
<b>Total Unassigned Fund Balances</b>	<u>18,762,223</u>		<u>(1,712,654)</u>	<u>17,049,569</u>
<b>Total Fund Balances</b>	<u>\$ 29,622,356</u>	<u>\$ 909,494</u>	<u>\$ 13,461,547</u>	<u>\$ 43,993,397</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

**A. Fund Deficits**

At June 30, 2014, the following funds had fund balance deficit or net position deficit:

Shoreline Enterprise Fund	\$	2,048,747
Parking Special Revenue Fund		37,203
Special Grants Special Revenue Fund		1,675,451

**B. Expenditures in Excess of Appropriations**

Excess of expenditures over appropriations approved by the City Council occurred in individual funds during the fiscal year 2013-14 as follows:

Fund/Department	Expenditure	Appropriation	Excess
General Fund			
General Government	\$ 11,310,036	\$ 10,419,443	\$ (890,593)
Special Revenue Funds			
Affordable Housing Asset			
Community Development	2,799		(2,799)
Cherry Wood Maintenance District			
Engineering and Transportation	578	211	(367)
Debt Service Fund			
San Leandro Public Financing Authority			
Interest and Fees	2,133,473	2,088,956	(44,517)
Capital Projects Fund			
San Leandro Hillside Geological Abatement			
Interest and Fees	25		(25)

**NOTE 12 - INSURANCE**

The City provides workers' compensation benefits under self-insurance programs. Claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the Self Insurance Internal Service Fund. The City's self-insured retention limit for workers' compensation is \$250,000 per claim. The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). This coverage includes a limit of \$25 million for excess workers compensation and \$4.75 million for employer's liability.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 12 – INSURANCE (Continued)**

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

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
2011-2012	\$ 7,931,093	\$ 1,219,327	\$ (2,079,197)	\$ 7,071,223
2012-2013	7,071,223	4,316,045	(4,689,144)	6,698,124
2013-2014	6,698,124	3,376,112	(3,401,337)	6,672,899

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

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

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City. As discussed in Note 12 to the Financial Statement, the City maintains a Self Insurance Fund which has reserves of \$1,163,801 at the end of June 30, 2014. These reserves are available to satisfy any future liability.

**NOTE 14 - EMPLOYEE RETIREMENT PLANS**

***A. California Public Employees’ Retirement System***

Plan Description - The City of San Leandro Miscellaneous Plan is an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 14 - EMPLOYEE RETIREMENT PLANS (Continued)**

The City of San Leandro Safety Plan is in a cost-sharing multiple-employer plan which is a single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer. A menu of benefit provisions and other requirements are established by State statutes within the Public Employee's Retirement Law. The City of San Leandro selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local resolutions. The City of San Leandro participates in separate Safety and Miscellaneous (Police, and Miscellaneous) Employee Plans.

Funding Policy - Active plan members are required by state statute to contribute 8% for miscellaneous employees hired before January 1, 2010 and 9% for safety employees of their annual covered salary. The City makes the contributions required for most City employees on their behalf and for their account, which amounted to \$2,571,364 for the year ended June 30, 2014. The city is required to contribute at an actuarially determined rate; the fiscal year 2013-14 rate for miscellaneous employees is 22.69%.

As previously mentioned the safety fund is in a cost-sharing multiple-employer plan and the city's current employer contribution rate required is 27.88% of annual covered payroll. In 2003-04, CalPERS combined the retirement plans for all public agencies with less than 100 active members to reduce the volatility of employer contribution rates. CalPERS also created for each member a side fund to amortize each agency's June 30, 2003 unfunded liabilities, amortized over a closed period that depends on the plan date of entry into CalPERS. A negative side fund, which the city incurred at the time causes the required employer contribution rate to be increased by the amortization of the side fund. The safety side fund is distinct from the City's other CalPERS plans and liabilities. The public safety side fund employer contribution rate is 0% which is amortized at 7.5% and scheduled to be fully amortized by June 30, 2024. The total required contribution rate in fiscal year 2013-14 for public safety is 27.88% of annual covered payroll for both side fund and multiple-employer plan, a decrease of 21.16% from prior fiscal year.

The safety side fund 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 (7.5%). The City's plan has the side fund scheduled to be fully amortized by June 30, 2024. The City's actuary has measured the amortization pay off of the side fund balance to amount to \$24,000,000 as of June 30 2011. In March 2012, the City issued \$18,305,000 taxable Pension Obligation Bonds to save the City money with lower interest rate significantly less than the interest rate the CalPERS charges to amortize the side fund. These bonds are not tax exempt under Federal regulations. The taxable bonds true interest cost rate was 4.72%, which is significantly less than the 7.75% charged by CalPERS, represents an expected savings over the life of the bonds. During fiscal year 2011-2012, the City deposited \$24,971,910 with CalPERS to pay off the side fund.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 14 - EMPLOYEE RETIREMENT PLANS (Continued)**

Annual Pension Cost - For fiscal year 2013-14 the City's annual pension costs of \$7,295,432 for CalPERS was equal to the City's required and actual contribution. The required contribution rate for the fiscal year 2013-14 was determined as a part of the June 30, 2012, actuarial valuation which used the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that range from 3.30% to 14.20% for miscellaneous members, and from 3.30% to 14.20% for safety members; (c) an inflation component of 2.75%, and (d) 3% per year cost-of-living adjustments for retirees. The actuarial values of the Miscellaneous and Safety Plans' assets were determined using a technique that smooths the effect of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CALPERS. CalPERS unfunded actuarial accrued liability is being amortized at a fixed percentage of projected payroll. The remaining amortization period at June 30, 2014 was 15 years.

Three-Year Information for City of San Leandro Safety Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2012	\$ 4,106,138	100%
6/30/2013	2,675,983	100%
6/30/2014	4,474,717	100%

Three-Year Information for City of San Leandro Miscellaneous Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2012	\$ 3,598,318	100%
6/30/2013	4,122,077	100%
6/30/2014	2,820,715	100%

Funded Status and Funding Progress – As of June 30, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

Valuation Date	Entry Age Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Unfunded Liability	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
<b>Miscellaneous:</b>							
6/30/2012	\$ 232,429,659	\$ 189,028,548	\$ 43,401,111	81.3%	\$ 20,167,441	215.2%	
<b>Safety:</b>							
6/30/2012	\$ 227,421,062	\$ 167,707,671	\$ 59,713,391	73.7%	\$ 10,058,373	593.7%	

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

**NOTE 14 - EMPLOYEE RETIREMENT PLANS (Continued)**

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS**

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

**A. Plan Description**

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

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

**B. Funding Policy**

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

Annual required contribution	\$ 1,524,000
Interest on net OPEB obligation	109,000
Adjustment to the annual required contribution	<u>(162,000)</u>
Annual OPEB cost	1,471,000
Less: Contributions made	<u>(1,980,000)</u>
Decrease in net OPEB obligation	(509,000)
NET OPEB obligation - beginning year	<u>2,128,999</u>
NET OPEB obligation - end of year	<u><u>\$ 1,619,999</u></u>

The City's annual OPEB cost, equal to the ARC, the percentage of OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the preceding years were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 1,791,000	\$ 1,411,315	79%	\$ 379,685
2010	1,870,000	1,359,742	73%	510,258
2011	1,387,000	920,415	66%	466,585
2012	1,452,000	1,169,503	81%	282,497
2013	1,403,000	913,026	65%	489,974
2014	1,471,000	1,980,000	135%	(509,000)
Total Net OPEB Obligation				<u><u>\$ 1,619,999</u></u>

**C. Plan Funded Status Information**

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

<b>Actuarial Valuations</b>	
Actuarial accrued liability (AAL)	\$ 16,081,000
Actuarial value of plan assets	1,505,000
Unfunded actuarial accrued liability (UAAL)	14,576,000
Funded ratio (actuarial value of plan assets/AAL)	9%
Covered payroll (active plan members)	30,227,000
UAAL as percentage of covered payroll	48.2%

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

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

***D. Actuarial Methods and Assumptions***

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

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include 5.5% investment rate of return, compared to the City's own year to date investment yield 1.37%. Assets in the plan are invested in a moderately conservative portfolio that will provide current income with capital appreciation as a secondary objective. A 3.0% general rate of inflation was used, as well as 3.25% aggregate payroll increases.

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

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

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

The City of San Leandro participates in the East Bay Dischargers Authority established on February 15, 1974. The Agency Members of the Joint Powers are the City of Hayward, City of San Leandro, Oro Loma Sanitary District, Castro Valley Sanitary District, and Union 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, 2014**

**NOTE 16 – 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 shares of the expenses are recorded as expenses of the Water Pollution Control Fund.

**NOTE 17 – SUCCESSOR AGENCY ACTIVITIES**

***A. Cash and Investments***

Cash and Investments at June 30, 2014, consisted of the following:

Statement of net assets:		
Cash and Investments	\$	5,222,410
Cash and Investments held by trustee		12,964,716
		18,187,126
Total cash and investments	\$	18,187,126

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. Advances from the City***

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

**Plaza Project Area General Fund Loan:**

On March 7, 2011, the former San Leandro Redevelopment Agency made a scheduled debt service payment of \$171,761 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 disputes this finding and litigation to resolve this issue. A ruling issued by the Superior Court of California on September 23, 2014 sided with the State Department of Finance on this issue and indicates that the City will be required to remit a payment of \$2,437,270 as a “claw back” of General Fund loan payments made after January 1, 2011. A final judgment has not yet been filed and a possibility exists that this ruling may be subject to appeal. If the payments are ultimately reversed, the City, as a taxing entity itself, would receive approximately 12% of the funds.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

**Joint Project Area General Fund Loan:**

On February 1, 2012, the date the former San Leandro Redevelopment Agency was dissolved, the Agency owed the City of San Leandro a balance of \$2,040,767 on a loan made to the City of San Leandro – Alameda County (Joint) Redevelopment Project Area. The loan had an initial balance of \$4,372,774 and was secured by a Promissory Note executed on April 8, 2004. The balance due was included as an enforceable obligation on the Successor Agency's Enforceable Obligation Payment Schedule (EOPS) and each subsequent Recognized Obligation Payment Schedule (ROPS). On April 11, 2012 the California Department of Finance (DOF) informed the Successor Agency of its objection to this item, citing a prohibition on agreements between RDA's and their sponsoring cities. On May 10, 2012 the Successor Agency Oversight Board approved, by resolution, an Amended and Restated Promissory Note under the authority provided under California Health and Safety Code Section 34781 (a). Nevertheless, the DOF has subsequently denied this loan. The Successor Agency pursued litigation and a ruling issued by the Superior Court of California on September 23, 2014 sided with the City on this issue, agreeing that the amount owed constitutes a legitimate enforceable obligation that can be listed on the ROPS. A final judgment has not yet been filed and a possibility exists that this ruling may be subject to appeal.

***C. Capital Assets***

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

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

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

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
<b>Non-depreciable Assets:</b>				
Land	\$ 2,949,885	\$	\$	\$ 2,949,885
Land held for resale	2,170,000		(2,170,000)	
<b>Total Non-depreciable Assets</b>	<b>5,119,885</b>		<b>(2,170,000)</b>	<b>2,949,885</b>
<b>Depreciable Assets:</b>				
Buildings and Improvements	1,713,996			1,713,996
<b>Total Depreciable Assets</b>	<b>1,713,996</b>			<b>1,713,996</b>
<b>Accumulated Depreciation:</b>				
Buildings and Improvements	(304,404)	(\$34,281)		(338,685)
<b>Total Accumulated Depreciation</b>	<b>(304,404)</b>	<b>(34,281)</b>		<b>(338,685)</b>
<b>Depreciable Assets, Net</b>	<b>1,409,592</b>	<b>(34,281)</b>		<b>1,375,311</b>
<b>Total Private Purpose Trust Fund Activity</b>				
<b>Capital Assets, Net</b>	<b>\$ 6,529,477</b>	<b>\$ (34,281)</b>	<b>\$ (2,170,000)</b>	<b>\$ 4,325,196</b>

***D. Long-Term Debt Obligations***

At June 30, 2014, future debt service requirements for the Successor Agency were as follows:

	Balance June 30, 2013	Retirements	Balance June 30, 2014	Current Portion	Long-Term Portion
2002 Tax Allocation Bonds	\$ 11,750,000	\$ (670,000)	\$ 11,080,000	\$ 705,000	\$ 10,375,000
2004 Tax Allocation Bonds	4,975,000	(125,000)	4,850,000	130,000	4,720,000
2008 Tax Allocation Bonds	25,725,000	(530,000)	25,195,000	550,000	24,645,000
2013 Refunding Lease Revenue Bonds					
Successor Agency Portion	3,112,000	(175,000)	2,937,000	175,000	2,762,000
Bayfair Mall Debt					
Owner Participation Agreements	1,885,016	(168,979)	1,716,037	95,000	1,621,037
San Leandro USD - 9th Grade	661,216	(327,072)	334,144	327,072	7,072
King Property Settlement	6,750,000	(1,750,000)	5,000,000	1,500,000	3,500,000
HUD 108 Guarantee Notes					
Affordable Housing	433,000	(63,000)	370,000	63,000	307,000
<b>Total</b>	<b>\$ 55,291,232</b>	<b>\$ (3,809,051)</b>	<b>\$ 51,482,181</b>	<b>\$ 3,545,072</b>	<b>\$ 47,937,109</b>
Plus (Less) unamortized:					
Discount (2002 TAB)	\$ (65,715)	\$ 4,107	\$ (61,608)	\$ (4,107)	\$ (57,501)
Premium (2008 TAB)	176,090	(6,522)	169,568	6,522	163,046
Premium (2013 LRRB)	117,733	(8,562)	109,171	8,562	100,609
<b>Total Government Activity Debt</b>	<b>\$ 55,519,340</b>	<b>\$ (3,820,028)</b>	<b>\$ 51,699,312</b>	<b>\$ 3,556,049</b>	<b>\$ 48,143,263</b>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

2002 Tax Allocation Bonds

In fiscal year 2004, the former Redevelopment Agency issued \$15,935,000 principal amount of Tax Allocation Bonds (2002 TABs) to refund the 1993 Tax Allocation Bonds (1993 TABs) used to finance the redevelopment activities within the Plaza Project Area (which have been completed) and to finance new redevelopment projects as set forth in the former Redevelopment Plan. The bonds consist of serial bonds that mature annually through 2018 in amounts ranging from \$305,000 to \$860,000 and term bonds maturing in 2020 in the amount of \$1,200,000, 2025 in the amount of \$2,355,000 and 2033 in the amount of \$3,520,000. Interest rates vary from 2.90% to a maximum of 6% and are payable semiannually on September 1 and March 1.

The refunding of the outstanding 1993 TABs resulted in a present value loss of \$70,679 or 1.1% of the principal amount of the refunded bonds. The nominal economic loss was necessary in order to raise the \$8,015,000 of new money that was generated through the financing. Because of a prohibitively high additional bonds test on the 1993 TABs (225%) it was necessary to refund the outstanding bonds in order to most efficiently raise the new money. According to the analysis completed by the City's financial advisor, the Agency raised \$321,000 more through using the refunding than they could have raised using a subordinate lien new money only issue.

At June 30, 2014, future debt service requirements for the 2002 Tax Allocation Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 705,000	\$ 627,380	\$ 1,332,380
2016	745,000	588,583	1,333,583
2017	790,000	546,348	1,336,348
2018	835,000	500,430	1,335,430
2019	860,000	451,477	1,311,477
2020-2024	2,580,000	1,716,997	4,296,997
2025-2029	2,520,000	997,608	3,517,608
2030-2033	2,045,000	237,750	2,282,750
	<u>\$ 11,080,000</u>	<u>\$ 5,666,573</u>	<u>\$ 16,746,573</u>

2004 Tax Allocation Bonds

In 2004, the City issued \$5,500,000 principal amount of 2004 Tax Allocation Bonds (2004 TABs). The purpose of the 2004 TABs was to assist the former Redevelopment Agency of the City finance redevelopment activities within the West San Leandro/MacArthur Boulevard former Redevelopment Project Area of the City. The 2004 TABs bear interest rates ranging from 5.00% to 5.75% and are payable semiannually on each March 1 and September 1. Principal payments are payable annually on September 1. The debt is secured and payable from the tax increment revenues from the West San Leandro/MacArthur Boulevard former Redevelopment Project area within the City.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

At June 30, 2014, future debt service requirements for the 2004 Tax Allocation Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 130,000	\$ 263,887	\$ 393,887
2016	140,000	256,637	396,637
2017	145,000	249,337	394,337
2018	155,000	241,760	396,760
2019	160,000	233,728	393,728
2020-2024	935,000	1,029,823	1,964,823
2025-2029	1,215,000	741,419	1,956,419
2030-2034	1,595,000	347,159	1,942,159
2035	375,000	10,781	385,781
	<u>\$ 4,850,000</u>	<u>\$ 3,374,531</u>	<u>\$ 8,224,531</u>

2008 Tax Allocation Bonds

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

At June 30, 2014, future debt service requirements for the 2008 Tax Allocation Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2015	\$ 550,000	\$ 1,287,438	\$ 1,837,438
2016	570,000	1,259,437	1,829,437
2017	595,000	1,230,313	1,825,313
2018	620,000	1,199,938	1,819,938
2019	645,000	1,168,313	1,813,313
2020-2024	3,690,000	5,337,607	9,027,607
2025-2029	4,660,000	4,318,278	8,978,278
2030-2034	6,030,000	2,949,788	8,979,788
2035-2039	7,835,000	1,100,925	8,935,925
	<u>\$ 25,195,000</u>	<u>\$ 19,852,037</u>	<u>\$ 45,047,037</u>

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

2013 Refunding Lease Revenue Bonds

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

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

At June 30, 2014, 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>
2015	\$ 175,000	\$ 97,790	\$ 272,790
2016	175,000	93,415	268,415
2017	203,000	87,745	290,745
2018	204,000	81,640	285,640
2019	214,000	75,370	289,370
2020-2024	1,166,000	265,869	1,431,869
2025-2027	800,000	52,819	852,819
	<u>\$ 2,937,000</u>	<u>\$ 754,648</u>	<u>\$ 3,691,648</u>

Owner Participation Agreements with Agency Commitment

	<u>Balance June 30, 2013</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Ford Motor Company	\$ 1,885,016	\$ (168,979)	\$ 1,716,037
Total	<u>\$ 1,885,016</u>	<u>\$ (168,979)</u>	<u>\$ 1,716,037</u>

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.

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

2009 San Leandro Unified School District

In February 2009, the City entered into a joint use agreement with the San Leandro Unified School District which provides for the City use of the 9<sup>th</sup> grade gymnasium during non-school hours and the San Leandro former Redevelopment Agency (Agency) agreed to provide for financial contribution to the project from the Agency in the amount of \$2,170,800 with no interest payable by June 30, 2017.

During the fiscal year ended June 30, 2010, annual payments for the 2009-10 and 2010-11 fiscal years were reduced from \$327,072 to \$160,000 as a consequence of the State SERAF requirement, consistent with the terms of the financing agreement between the Agency and the school district. Assuming no additional payments are required by the State in subsequent years, the terms of the agreement was extended to Fiscal 2019 with payments at \$167,072 each fiscal year beginning fiscal year 2015.

For The Year Ending June 30	Principal
2015	\$ 327,072
2016	7,072
	\$ 334,144

**King Property Settlement Agreement**

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

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

For The Year Ending June 30	Principal
2015	\$ 1,500,000
2016	1,500,000
2017	1,375,000
2018	625,000
	\$ 5,000,000

**CITY OF SAN LEANDRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2014**

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

**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
2015	\$ 63,000	\$ 9,243	\$ 72,243
2016	63,000	7,983	70,983
2017	63,000	6,452	69,452
2018	63,000	4,697	67,697
2019	63,000	2,798	65,798
2020	55,000	908	55,908
	<u>\$ 370,000</u>	<u>\$ 32,081</u>	<u>\$ 402,081</u>

**Authorized but unissued debt**

On June 16, 2014, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Leandro approved the Issuance of Refunding Bonds in the aggregate principal not to exceed \$14,000,000 in Order to Refund the Redevelopment Agency of the City of San Leandro Tax Allocation Bonds, Series 2002 with the outstanding balance of \$10,375,000 and the Redevelopment Agency of the City of San Leandro Tax Allocation Bonds, Series 2004, with the outstanding balance of \$4,720,000.

***E. Governmental Accounting Standards Board (GASB) Statement No.65 Restatement***

For the fiscal year ended June 30, 2014, the Successor Agency to the Redevelopment Agency Private-purpose Trust Fund is required to implement the provisions of GASB No.65, *Items Previously Reported as Assets and Liabilities*. The implementation resulted in the write-off of the previously outstanding unamortized bond issuance costs. As a result, beginning net position of the Private-purpose Trust Fund was reduced by \$608,831.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of San Leandro**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

**1. BUDGETS AND BUDGETARY ACCOUNTING**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes and other taxes	\$ 64,808,250	\$ 64,808,250	\$ 68,910,957	\$ 4,102,707
Licenses and permits	6,132,440	6,132,440	6,996,159	863,719
Fines and forfeitures	1,340,000	1,340,000	1,302,814	(37,186)
Services charges	2,541,574	2,541,574	2,853,823	312,249
Intergovernmental	1,021,341	1,032,657	1,009,545	(23,112)
Use of money and property	1,205,263	1,205,263	1,198,556	(6,707)
Interdepartmental charges	2,002,140	2,002,140	2,002,139	(1)
Other	442,500	549,674	668,000	118,326
<b>Total revenues</b>	<b>79,493,508</b>	<b>79,611,998</b>	<b>84,941,993</b>	<b>5,329,995</b>
<b>EXPENDITURES:</b>				
Current:				
General government	9,150,772	10,419,443	11,310,036	(890,593)
Public safety	47,139,054	47,543,852	46,197,805	1,346,047
Engineering and transportation	7,143,626	7,248,059	7,115,171	132,888
Recreation and culture	9,072,589	9,213,707	9,177,006	36,701
Community development	4,298,818	4,675,380	3,907,247	768,133
Debt service:				
Principal	1,480,828	1,480,828	1,195,828	285,000
Interest and fees	940,251	940,251	938,823	1,428
<b>Total expenditures</b>	<b>79,225,938</b>	<b>81,521,520</b>	<b>79,841,916</b>	<b>1,679,604</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>267,570</b>	<b>(1,909,522)</b>	<b>5,100,077</b>	<b>7,009,599</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (out)	(768,000)	(776,000)	(776,000)	-
<b>Total other financing sources (uses)</b>	<b>(768,000)</b>	<b>(776,000)</b>	<b>(776,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (500,430)</b>	<b>\$ (2,685,522)</b>	<b>4,324,077</b>	<b>\$ 7,009,599</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,298,279	
End of year			\$ 29,622,356	

See accompanying notes to financial statements

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2014**

**1. BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

GAAP serves as the budgetary basis of accounting.

**2. PENSION PLANS SCHEDULE OF FUNDING PROGRESS – PERS**

Public Employees Retirement System Pension plan consist of annual actuarial valuation of assets for both safety and miscellaneous employees of the City. Note 14 describes the Employee Retirement Plans including plan description, funding policy and annual pension cost. Since the City has less than 100 active members in the Safety plans since June 30, 2003, the City is required to participate in a risk pool. An actuarial valuation was performed with other participants within the same risk pool. 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:

Valuation Date	Entry Age Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability		Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
			Unfunded Liability	Funded Status			
<b>Miscellaneous:</b>							
6/30/2010	\$ 214,152,551	\$ 183,903,259	\$ 30,249,292	85.9%	\$ 19,694,872	153.6%	
6/30/2011	226,836,862	190,211,455	36,625,407	83.9%	19,739,792	185.5%	
6/30/2012	232,429,659	189,028,548	43,401,111	81.3%	20,167,441	215.2%	
<b>Safety:</b>							
6/30/2011	\$ 222,794,853	\$ 156,573,929	\$ 66,220,924	70.3%	\$ 10,125,853	654.0%	
6/30/2012	227,421,062	167,707,671	59,713,391	73.7%	10,058,373	593.7%	

\* Effective with the 6/30/03 valuation, CalPERS established risk pools for plans containing less than 100 active members. The City's plan is included of the cost-sharing multiple-employer defined benefit variety.

**CITY OF SAN LEANDRO**  
**Required Supplemental Information**  
**For the year ended June 30, 2014**

**3. SCHEDULE OF FUNDING PROGRESS – OTHER POST RETIREMENT BENEFIT PLAN**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
6/30/2009	\$ 500,000	\$ 16,853,000	\$ 16,353,000	3%	\$ 29,408,000	55.6%
6/30/2011	1,102,000	17,281,000	16,179,000	6%	29,276,000	55.3%
6/30/2013	1,505,000	16,081,000	14,576,000	9%	30,227,000	48.2%

**SUPPLEMENTARY INFORMATION**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

***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.

***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.

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

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

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

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

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

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

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

### **DEBT SERVICE FUNDS**

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

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

### **CAPITAL PROJECTS FUNDS**

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

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

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

	Special Revenue Funds				
	Street/ Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking	Special Gas Tax
<b>ASSETS</b>					
Cash and investments	\$ 1,186,039	\$ 360,058	\$ 1,644,543	\$ -	\$ 1,904,431
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	4,655	-
Federal, State, and local grants	-	-	-	-	-
Interest	2,300	770	2,981	-	3,736
Special assessments	-	-	-	-	-
Other assets	-	-	-	-	-
Loans	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,188,339</b>	<b>\$ 360,828</b>	<b>\$ 1,647,524</b>	<b>\$ 4,655</b>	<b>\$ 1,908,167</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 940	\$ -	\$ -	\$ 8,730	\$ 46,433
Due to other funds	-	-	-	33,128	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>41,858</b>	<b>46,433</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - grants receivable	-	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-	-
<b>Total Deferred Inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	1,187,399	360,828	1,647,524	-	1,861,734
Unassigned	-	-	-	(37,203)	-
<b>Total Fund Balances</b>	<b>1,187,399</b>	<b>360,828</b>	<b>1,647,524</b>	<b>(37,203)</b>	<b>1,861,734</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 1,188,339</b>	<b>\$ 360,828</b>	<b>\$ 1,647,524</b>	<b>\$ 4,655</b>	<b>\$ 1,908,167</b>

Special Revenue Funds

Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 282,059	\$ -	\$ 755,694	\$ 807,528	\$ 12,741	\$ 369	\$ 3,211,463
-	-	-	-	-	-	-
-	-	57,908	-	-	76,035	4,644
-	46,884	-	-	-	2,309,888	249,670
553	-	1,589	1,567	55	-	6,614
35,862	-	-	-	-	-	-
-	83,788	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 318,474</u>	<u>\$ 130,672</u>	<u>\$ 815,191</u>	<u>\$ 809,095</u>	<u>\$ 12,796</u>	<u>\$ 2,386,292</u>	<u>\$ 3,472,391</u>
\$ -	\$ 28,253	\$ 520	\$ 4,589	\$ -	\$ 371,454	\$ 117,735
-	-	-	-	-	1,560,024	-
-	-	-	-	-	-	-
-	28,253	520	4,589	-	1,931,478	117,735
-	-	-	-	-	2,130,265	-
-	-	-	-	-	-	-
-	-	-	-	-	2,130,265	-
318,474	102,419	814,671	804,506	12,796	-	3,354,656
-	-	-	-	-	(1,675,451)	-
318,474	102,419	814,671	804,506	12,796	(1,675,451)	3,354,656
<u>\$ 318,474</u>	<u>\$ 130,672</u>	<u>\$ 815,191</u>	<u>\$ 809,095</u>	<u>\$ 12,796</u>	<u>\$ 2,386,292</u>	<u>\$ 3,472,391</u>

(Continued)

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

	Special Revenue Funds				
	Measure F	C.D.B.G.	HOME	Housing In-Lieu	Business Improvement District
<b>ASSETS</b>					
Cash and investments	\$ 420,565	\$ 27,282	\$ 14,273	\$ 80,348	\$ 2,976
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	77,292	101,790	8,594	-	590
Federal, State, and local grants	-	-	-	-	-
Interest	1,236	58,963	112	119	41
Special assessments	-	-	-	-	96
Other assets	-	-	-	-	-
Loans	-	736,579	3,235,000	637,000	-
<b>Total Assets</b>	<b>\$ 499,093</b>	<b>\$ 924,614</b>	<b>\$ 3,257,979</b>	<b>\$ 717,467</b>	<b>\$ 3,703</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 12,615	\$ 2	\$ -	\$ 516
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>12,615</b>	<b>2</b>	<b>-</b>	<b>516</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - grants receivable	-	-	-	-	-
Unavailable revenue - loans receivable	-	795,542	3,235,000	637,000	-
<b>Total Deferred Inflow of resources</b>	<b>-</b>	<b>795,542</b>	<b>3,235,000</b>	<b>637,000</b>	<b>-</b>
Fund Balances:					
Restricted	499,093	116,457	22,977	80,467	3,187
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>499,093</b>	<b>116,457</b>	<b>22,977</b>	<b>80,467</b>	<b>3,187</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 499,093</b>	<b>\$ 924,614</b>	<b>\$ 3,257,979</b>	<b>\$ 717,467</b>	<b>\$ 3,703</b>

<hr/> <hr/>					
	Debt Service Funds		Capital Projects Funds		
Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	Capital Improvement Projects Capital Projects	GHAD	Total Non-Major Governmental Funds
\$ 214,948	\$ 251,042	\$ 645,443	\$ 4,059,151	\$ 14,891	\$ 15,895,844
-	-	358	91,624	-	91,982
46,976	-	-	-	-	378,484
-	-	-	-	-	2,606,442
649	510	-	-	32	81,827
-	-	-	-	-	35,958
-	-	-	-	-	83,788
-	-	-	-	-	4,608,579
<u>\$ 262,573</u>	<u>\$ 251,552</u>	<u>\$ 645,801</u>	<u>\$ 4,150,775</u>	<u>\$ 14,923</u>	<u>\$ 23,782,904</u>
\$ 93	\$ -	\$ -	\$ 80,113	\$ -	\$ 671,993
-	-	-	-	-	1,593,152
75,000	-	-	1,000,000	-	1,075,000
<u>75,093</u>	<u>-</u>	<u>-</u>	<u>1,080,113</u>	<u>-</u>	<u>3,340,145</u>
-	-	-	-	-	2,130,265
-	183,405	-	-	-	4,850,947
-	<u>183,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,981,212</u>
187,480	68,147	645,801	3,070,662	14,923	15,174,201
-	-	-	-	-	(1,712,654)
<u>187,480</u>	<u>68,147</u>	<u>645,801</u>	<u>3,070,662</u>	<u>14,923</u>	<u>13,461,547</u>
<u>\$ 262,573</u>	<u>\$ 251,552</u>	<u>\$ 645,801</u>	<u>\$ 4,150,775</u>	<u>\$ 14,923</u>	<u>\$ 23,782,904</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, 2014**

	Special Revenue Funds				
	Street/Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking	Special Gas Tax
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	323,216	-	-	239,138	-
Service Charges	-	-	369,574	-	-
Intergovernmental	-	-	-	-	2,621,229
Use of money and property	6,652	2,681	7,057	245	9,848
Other	100	22,814	-	625	1,472
<b>Total Revenues</b>	<b>329,968</b>	<b>25,495</b>	<b>376,631</b>	<b>240,008</b>	<b>2,632,549</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Engineering and transportation	302,163	-	40,609	308,624	3,848,160
Recreation and culture	-	74,733	-	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
<b>Total Expenditures</b>	<b>302,163</b>	<b>74,733</b>	<b>40,609</b>	<b>308,624</b>	<b>3,848,160</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>27,805</b>	<b>(49,238)</b>	<b>336,022</b>	<b>(68,616)</b>	<b>(1,215,611)</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in	-	-	-	-	768,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>768,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>27,805</b>	<b>(49,238)</b>	<b>336,022</b>	<b>(68,616)</b>	<b>(447,611)</b>
<b>FUND BALANCES:</b>					
Beginning of year	1,159,594	410,066	1,311,502	31,413	2,309,345
End of year	<u>\$ 1,187,399</u>	<u>\$ 360,828</u>	<u>\$ 1,647,524</u>	<u>\$ (37,203)</u>	<u>\$ 1,861,734</u>

(Continued)

Special Revenue Funds

Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 21,898	\$ -	\$ -	\$ 340,339	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	360,157	68,176	-	-	4,876,546	1,545,339
1,325	-	4,007	3,914	368	370	16,956
-	7,040	-	-	-	-	86,590
<u>23,223</u>	<u>367,197</u>	<u>72,183</u>	<u>344,253</u>	<u>368</u>	<u>4,876,916</u>	<u>1,648,885</u>
-	-	-	-	-	-	-
-	-	63,414	-	-	659,608	-
578	-	-	282,168	42,640	3,845,942	1,783,215
-	340,964	-	-	-	400,227	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	567	-	-	-
<u>578</u>	<u>340,964</u>	<u>63,414</u>	<u>282,735</u>	<u>42,640</u>	<u>4,905,777</u>	<u>1,783,215</u>
<u>22,645</u>	<u>26,233</u>	<u>8,769</u>	<u>61,518</u>	<u>(42,272)</u>	<u>(28,861)</u>	<u>(134,330)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,645	26,233	8,769	61,518	(42,272)	(28,861)	(134,330)
295,829	76,186	805,902	742,988	55,068	(1,646,590)	3,488,986
<u>\$ 318,474</u>	<u>\$ 102,419</u>	<u>\$ 814,671</u>	<u>\$ 804,506</u>	<u>\$ 12,796</u>	<u>\$ (1,675,451)</u>	<u>\$ 3,354,656</u>

(Continued)

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

	Special Revenue Funds				
	Measure F	C.D.B.G.	HOME	Housing In-Lieu	Business Improvement District
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	141,957
Service Charges	-	-	-	-	-
Intergovernmental	431,074	610,386	9,695	-	108,673
Use of money and property	4,394	-	43,471	20,728	210
Other	-	-	29,879	14,061	-
<b>Total Revenues</b>	<b>435,468</b>	<b>610,386</b>	<b>83,045</b>	<b>34,789</b>	<b>250,840</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Engineering and transportation	766,033	-	-	-	-
Recreation and culture	-	-	-	-	-
Community development	-	373,153	110,009	-	293,904
Debt service:					
Principal	-	131,000	-	-	-
Interest and fees	-	75,093	-	-	-
<b>Total Expenditures</b>	<b>766,033</b>	<b>579,246</b>	<b>110,009</b>	<b>-</b>	<b>293,904</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(330,565)</b>	<b>31,140</b>	<b>(26,964)</b>	<b>34,789</b>	<b>(43,064)</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>(330,565)</b>	<b>31,140</b>	<b>(26,964)</b>	<b>34,789</b>	<b>(43,064)</b>
<b>FUND BALANCES:</b>					
Beginning of year	829,658	85,317	49,941	45,678	46,251
End of year	\$ 499,093	\$ 116,457	\$ 22,977	\$ 80,467	\$ 3,187

(Continued)

		Debt Service Funds		Capital Project Funds		
Public Education and Government	Special Assessment District	San Leandro Public Financing Authority	Capital Improvement Projects Capital Projects	GHAD	Total Nonmajor Governmental Funds	
\$ 180,619	\$ -	\$ -	\$ -	\$ -	\$ 542,856	
-	-	-	-	-	704,311	
-	-	-	268,828	-	638,402	
-	-	-	-	-	10,631,275	
1,789	3,912	2,088,491	25,000	-	2,241,418	
-	-	-	82,500	-	245,081	
<u>182,408</u>	<u>3,912</u>	<u>2,088,491</u>	<u>376,328</u>	<u>-</u>	<u>15,003,343</u>	
-	-	40,082	-	-	40,082	
-	-	-	63,011	-	786,033	
-	-	-	974,461	725	12,195,318	
-	-	-	251,729	-	1,067,653	
446,173	-	-	5,091	-	1,228,330	
-	-	945,000	-	-	1,076,000	
-	996	1,148,391	-	25	1,225,072	
<u>446,173</u>	<u>996</u>	<u>2,133,473</u>	<u>1,294,292</u>	<u>750</u>	<u>17,618,488</u>	
<u>(263,765)</u>	<u>2,916</u>	<u>(44,982)</u>	<u>(917,964)</u>	<u>(750)</u>	<u>(2,615,145)</u>	
-	-	-	8,000	-	776,000	
-	-	-	8,000	-	776,000	
(263,765)	2,916	(44,982)	(909,964)	(750)	(1,839,145)	
<u>451,245</u>	<u>65,231</u>	<u>690,783</u>	<u>3,980,626</u>	<u>15,673</u>	<u>15,300,692</u>	
<u>\$ 187,480</u>	<u>\$ 68,147</u>	<u>\$ 645,801</u>	<u>\$ 3,070,662</u>	<u>\$ 14,923</u>	<u>\$ 13,461,547</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 80,000	\$ 80,000	\$ 323,216	\$ 243,216
Use of money and property	10,750	10,750	6,652	(4,098)
	-	-	100	100
<b>Total Revenues</b>	<b>90,750</b>	<b>90,750</b>	<b>329,968</b>	<b>239,218</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	54,528	738,208	302,163	436,045
<b>Total Expenditures</b>	<b>54,528</b>	<b>738,208</b>	<b>302,163</b>	<b>436,045</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 36,222</b>	<b>\$ (647,458)</b>	<b>27,805</b>	<b>\$ 675,263</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,159,594	
End of year			\$ 1,187,399	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 6,000	\$ 6,000	\$ 2,681	\$ (3,319)
Other	20,000	20,000	22,814	2,814
<b>Total Revenues</b>	<u>26,000</u>	<u>26,000</u>	<u>25,495</u>	<u>(505)</u>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	17,946	234,224	74,733	159,491
<b>Total Expenditures</b>	<u>17,946</u>	<u>234,224</u>	<u>74,733</u>	<u>159,491</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 8,054</u>	<u>\$ (208,224)</u>	<u>(49,238)</u>	<u>\$ 158,986</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>410,066</u>	
End of year			<u>\$ 360,828</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Underground Utility Fees Special Revenue Fund**  
**For the year ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 1,500	\$ 1,500	\$ 7,057	\$ 5,557
Charges for current services	70,000	70,000	369,574	299,574
<b>Total Revenues</b>	<b>71,500</b>	<b>71,500</b>	<b>376,631</b>	<b>305,131</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	-	322,611	40,609	282,002
<b>Total Expenditures</b>	<b>-</b>	<b>322,611</b>	<b>40,609</b>	<b>282,002</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 71,500</b>	<b>\$ (251,111)</b>	<b>336,022</b>	<b>\$ 587,133</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,311,502	
End of year			\$ 1,647,524	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 250,000	\$ 250,000	\$ 239,138	\$ (10,862)
Use of money and property	160	160	245	85
Other	-	-	625	625
<b>Total revenues</b>	<u>250,160</u>	<u>250,160</u>	<u>240,008</u>	<u>(10,152)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	<u>315,678</u>	<u>315,678</u>	<u>308,624</u>	<u>7,054</u>
<b>Total expenditures</b>	<u>315,678</u>	<u>315,678</u>	<u>308,624</u>	<u>7,054</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (65,518)</u>	<u>\$ (65,518)</u>	<u>(68,616)</u>	<u>\$ (3,098)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>31,413</u>	
End of year			<u>\$ (37,203)</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,497,301	\$ 2,497,301	\$ 2,621,229	\$ 123,928
Use of money and property	15,000	15,000	9,848	(5,152)
Other	-	-	1,472	1,472
<b>Total revenues</b>	<b>2,512,301</b>	<b>2,512,301</b>	<b>2,632,549</b>	<b>120,248</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	2,929,943	5,274,179	3,848,160	1,426,019
<b>Total expenditures</b>	<b>2,929,943</b>	<b>5,274,179</b>	<b>3,848,160</b>	<b>1,426,019</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(417,642)</b>	<b>(2,761,878)</b>	<b>(1,215,611)</b>	<b>(1,305,771)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	768,000	768,000	768,000	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 350,358</b>	<b>\$ (1,993,878)</b>	<b>(447,611)</b>	<b>\$ 1,546,267</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,309,345	
End of year			\$ 1,861,734	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 20,265	\$ 20,265	\$ 21,898	\$ 1,633
Use of money and property	1,490	1,490	1,325	(165)
<b>Total revenues</b>	<u>21,755</u>	<u>21,755</u>	<u>23,223</u>	<u>1,468</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	211	211	578	(367)
<b>Total expenditures</b>	<u>211</u>	<u>211</u>	<u>578</u>	<u>(367)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 21,544</u>	<u>\$ 21,544</u>	<u>22,645</u>	<u>\$ 1,101</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>295,829</u>	
End of year			<u>\$ 318,474</u>	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 324,937	\$324,937	\$ 360,157	\$ 35,220
Other	6,000	6,000	7,040	1,040
<b>Total revenues</b>	<b>330,937</b>	<b>330,937</b>	<b>367,197</b>	<b>36,260</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	330,937	330,937	340,964	(10,027)
<b>Total expenditures</b>	<b>330,937</b>	<b>330,937</b>	<b>340,964</b>	<b>(10,027)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>26,233</b>	<b>\$ 26,233</b>
<b>FUND BALANCES:</b>				
Beginning of year			76,186	
End of year			\$ 102,419	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 68,176	\$ 68,176
Use of money and property	6,000	6,000	4,007	(1,993)
<b>Total revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>72,183</b>	<b>66,183</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	245,531	63,414	182,117
<b>Total expenditures</b>	<b>-</b>	<b>245,531</b>	<b>63,414</b>	<b>182,117</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 6,000</b>	<b>\$ (239,531)</b>	<b>8,769</b>	<b>\$ 248,300</b>
<b>FUND BALANCES:</b>				
Beginning of year			805,902	
End of year			\$ 814,671	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 355,661	\$ 355,661	\$ 340,339	\$ (15,322)
Use of money and property	4,721	4,721	3,914	(807)
<b>Total revenues</b>	<u>360,382</u>	<u>360,382</u>	<u>344,253</u>	<u>(16,129)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	368,991	759,243	282,168	477,075
Debt service:				
Interest and fees	-	-	567	(567)
<b>Total expenditures</b>	<u>368,991</u>	<u>759,243</u>	<u>282,735</u>	<u>476,508</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (8,609)</u>	<u>\$ (398,861)</u>	<u>61,518</u>	<u>\$ (460,379)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>742,988</u>	
End of year			<u>\$ 804,506</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 368	\$ 368
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>368</u>	<u>368</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation		43,573	42,640	933
<b>Total expenditures</b>	<u>-</u>	<u>43,573</u>	<u>42,640</u>	<u>933</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ (43,573)</u>	<u>(42,272)</u>	<u>\$ 1,301</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>55,068</u>	
End of year			<u>\$ 12,796</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,491,855	\$2,306,007	\$ 4,876,546	\$ 2,570,539
Use of money and property	-	-	370	370
Other	-	6,000	-	(6,000)
<b>Total revenues</b>	<u>1,491,855</u>	<u>2,312,007</u>	<u>4,876,916</u>	<u>2,564,909</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	432,465	1,124,277	659,608	464,669
Engineering and transportation	876,161	8,592,492	3,845,942	4,746,550
Community development	183,229	-	-	-
Recreation and culture	-	1,500,407	400,227	1,100,180
<b>Total expenditures</b>	<u>1,491,855</u>	<u>11,217,176</u>	<u>4,905,777</u>	<u>6,311,399</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ (8,905,169)</u>	<u>(28,861)</u>	<u>\$ 8,876,308</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>(1,646,590)</u>	
End of year			<u>\$ (1,675,451)</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,479,001	\$ 1,825,001	\$ 1,545,339	\$ (279,662)
Use of money and property	2,100	2,100	16,956	14,856
Other	65,000	65,000	86,590	21,590
<b>Total revenues</b>	<u>1,546,101</u>	<u>1,892,101</u>	<u>1,648,885</u>	<u>(243,216)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	<u>1,757,711</u>	<u>8,219,895</u>	<u>1,783,215</u>	<u>6,436,680</u>
<b>Total expenditures</b>	<u>1,757,711</u>	<u>8,219,895</u>	<u>1,783,215</u>	<u>6,436,680</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (211,610)</u>	<u>\$ (6,327,794)</u>	<u>(134,330)</u>	<u>\$ 6,193,464</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,488,986</u>	
End of year			<u>\$ 3,354,656</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 365,073	\$ 365,073	\$ 431,074	\$ 66,001
Use of money and property	-	-	4,394	4,394
<b>Total revenues</b>	<u>365,073</u>	<u>365,073</u>	<u>435,468</u>	<u>70,395</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	<u>345,624</u>	<u>1,110,648</u>	<u>766,033</u>	<u>344,615</u>
<b>Total expenditures</b>	<u>345,624</u>	<u>1,110,648</u>	<u>766,033</u>	<u>344,615</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 19,449</u>	<u>\$ (745,575)</u>	<u>(330,565)</u>	<u>\$ 415,010</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>829,658</u>	
End of year			<u>\$ 499,093</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 560,739	\$ 560,739	\$ 610,386	\$ 49,647
<b>Total revenues</b>	<u>560,739</u>	<u>560,739</u>	<u>610,386</u>	<u>49,647</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	306,315	772,339	373,153	399,186
Debt service:				
Principal	131,000	131,000	131,000	-
Interest and fees	75,093	75,094	75,093	1
<b>Total expenditures</b>	<u>512,408</u>	<u>978,433</u>	<u>579,246</u>	<u>399,187</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 48,331</u>	<u>\$ (417,694)</u>	<u>31,140</u>	<u>\$ 448,834</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>85,317</u>	
End of year			<u>\$ 116,457</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 141,409	\$ 141,409	\$ 9,695	\$ (131,714)
Use of money and property	-	-	43,471	43,471
Other	-	-	29,879	29,879
<b>Total revenues</b>	<u>141,409</u>	<u>141,409</u>	<u>83,045</u>	<u>(58,364)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>143,881</u>	<u>1,048,091</u>	<u>110,009</u>	<u>938,082</u>
<b>Total expenditures</b>	<u>143,881</u>	<u>1,048,091</u>	<u>110,009</u>	<u>938,082</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (2,472)</u>	<u>\$ (906,682)</u>	<u>(26,964)</u>	<u>\$ 879,718</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>49,941</u>	
End of year			<u>\$ 22,977</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Housing In-Lieu Fund**  
**For the year ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 20,728	\$ 20,728
Other	-	-	14,061	14,061
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>34,789</b>	<b>34,789</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>34,789</b>	<b>\$ 34,789</b>
<b>FUND BALANCES:</b>				
Beginning of year			45,678	
End of year			\$ 80,467	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Business Improvement District Fund**  
**For the year ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 130,000	\$ 130,000	\$ 141,957	\$ 11,957
Intergovernmental	168,440	168,440	108,673	(59,767)
Use of money and property	-	-	210	210
<b>Total revenues</b>	<b>298,440</b>	<b>298,440</b>	<b>250,840</b>	<b>(47,600)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	296,920	296,920	293,904	3,016
<b>Total expenditures</b>	<b>296,920</b>	<b>296,920</b>	<b>293,904</b>	<b>3,016</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,520</b>	<b>\$ 1,520</b>	<b>(43,064)</b>	<b>\$ (44,584)</b>
<b>FUND BALANCES:</b>				
Beginning of year			46,251	
End of year			\$ 3,187	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Public Education and Government Fund**  
**For the year ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 150,000	\$ 150,000	\$ 180,619	\$ 30,619
Use of money and property	-	-	1,789	1,789
<b>Total revenues</b>	<b>150,000</b>	<b>150,000</b>	<b>182,408</b>	<b>32,408</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	32,900	524,857	446,173	78,684
<b>Total expenditures</b>	<b>32,900</b>	<b>524,857</b>	<b>446,173</b>	<b>78,684</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 117,100</b>	<b>\$ (374,857)</b>	<b>(263,765)</b>	<b>\$ 111,092</b>
<b>FUND BALANCES:</b>				
Beginning of year			451,245	
End of year			\$ 187,480	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 3,912	\$ 3,912
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>3,912</u>	<u>3,912</u>
<b>EXPENDITURES:</b>				
Current:				
Debt service:				
Interest and fees	<u>996</u>	<u>996</u>	<u>996</u>	<u>-</u>
<b>Total expenditures</b>	<u>996</u>	<u>996</u>	<u>996</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (996)</u>	<u>\$ (996)</u>	<u>2,916</u>	<u>\$ 3,912</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>65,231</u>	
End of year			<u>\$ 68,147</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 2,474,319	\$ 2,474,319	\$ 2,088,491	\$ (385,828)
<b>Total revenues</b>	<u>2,474,319</u>	<u>2,474,319</u>	<u>2,088,491</u>	<u>(385,828)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	40,082	(40,082)
Debt service:				
Principal	1,225,000	1,225,000	945,000	280,000
Interest and fees	863,956	863,956	1,148,391	(284,435)
<b>Total expenditures</b>	<u>2,088,956</u>	<u>2,088,956</u>	<u>2,133,473</u>	<u>(44,517)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 385,363</u>	<u>\$ 385,363</u>	<u>(44,982)</u>	<u>\$ (430,345)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>690,783</u>	
End of year			<u>\$ 645,801</u>	

**City of San Leandro**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -**  
**Non Major Governmental Fund**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Service Charges	\$ -	\$ -	\$ 268,828	\$ 268,828
Use of money and property	-	25,000	25,000	-
Other	84,000	82,500	82,500	-
<b>Total revenues</b>	<b>84,000</b>	<b>107,500</b>	<b>376,328</b>	<b>268,828</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	89,909	63,011	26,898
Engineering and transportation	84,000	2,832,786	974,461	1,858,325
Community development	-	1,780,986	5,091	1,775,895
Recreation and culture	-	251,729	251,729	-
<b>Total expenditures</b>	<b>84,000</b>	<b>4,955,410</b>	<b>1,294,292</b>	<b>3,661,118</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(4,847,910)</b>	<b>(917,964)</b>	<b>3,929,946</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	244,619	8,000	8,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>244,619</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 244,619</b>	<b>\$ (4,839,910)</b>	<b>(909,964)</b>	<b>\$ 3,929,946</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,980,626	
End of year			\$ 3,070,662	

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Adopted	Final		
<b>EXPENDITURES:</b>				
Current:				
Engineering and transportation	\$ 179	\$ 16,264	\$ 725	\$ 15,539
Debt service:				
Interest and fees	-	-	25	(25)
<b>Total expenditures</b>	<u>179</u>	<u>16,264</u>	<u>750</u>	<u>15,514</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (179)</u>	<u>\$ (16,264)</u>	<u>(750)</u>	<u>\$ 15,514</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>15,673</u>	
End of year			<u>\$ 14,923</u>	

**City of San Leandro**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2014**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 278,062	\$ 1,478,071	\$ 1,756,133
Receivables:			
Accounts	-	\$66,389	66,389
Interest	308	2,853	3,161
Other assets	-	832	832
	<u>278,370</u>	<u>1,548,145</u>	<u>1,826,515</u>
Total current assets	<u>278,370</u>	<u>1,548,145</u>	<u>1,826,515</u>
<b>Total Assets</b>	<u>278,370</u>	<u>1,548,145</u>	<u>1,826,515</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	7,006	27,626	34,632
Compensated absences - due in one year	2,943	9,245	12,188
	<u>9,949</u>	<u>36,871</u>	<u>46,820</u>
Total current liabilities	<u>9,949</u>	<u>36,871</u>	<u>46,820</u>
Non-current Liabilities:			
Compensated absences - due in more than one year	29,754	93,480	123,234
	<u>29,754</u>	<u>93,480</u>	<u>123,234</u>
Total Liabilities	<u>39,703</u>	<u>130,351</u>	<u>170,054</u>
<b>NET POSITION</b>			
Unrestricted	<u>238,667</u>	<u>1,417,794</u>	<u>1,656,461</u>
<b>Total Net Position</b>	<u>\$ 238,667</u>	<u>\$ 1,417,794</u>	<u>\$ 1,656,461</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, 2014**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,072,146	\$ 338,039	\$ 1,410,185
Licenses and permits	-	311,274	311,274
Other operating revenue	-	24,282	24,282
<b>Total operating revenues</b>	<b>1,072,146</b>	<b>673,595</b>	<b>1,745,741</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	587,910	632,324	1,220,234
Contractual and other services	234,318	112,497	346,815
Material and supplies	14,944	30,042	44,986
Other operating costs	241,080	252,191	493,271
<b>Total operating expenses</b>	<b>1,078,252</b>	<b>1,027,054</b>	<b>2,105,306</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(6,106)</b>	<b>(353,459)</b>	<b>(359,565)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	511	14,961	15,472
Intergovernmental	-	250,775	250,775
<b>Total Nonoperating Revenues (Expenses)</b>	<b>511</b>	<b>265,736</b>	<b>266,247</b>
<b>INCOME (LOSS) BEFORE TRANSFERS:</b>	<b>(5,595)</b>	<b>(87,723)</b>	<b>(93,318)</b>
Transfers in	-	132,782	132,782
<b>Total transfers</b>	<b>-</b>	<b>132,782</b>	<b>132,782</b>
<b>Change in net position</b>	<b>(5,595)</b>	<b>45,059</b>	<b>39,464</b>
<b>NET POSITION:</b>			
Beginning of year	244,262	1,372,735	1,616,997
End of year	<u>\$ 238,667</u>	<u>\$ 1,417,794</u>	<u>\$ 1,656,461</u>

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2014**

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,082,558	\$ 708,592	\$ 1,791,150
Cash payments to suppliers and service providers	(250,110)	(146,952)	(397,062)
Cash payments to employees for services	(597,523)	(632,801)	(1,230,324)
Cash payments to other funds for service provided	(241,080)	(252,604)	(493,684)
<b>Net cash provided (used) by operating activities</b>	<u>(6,155)</u>	<u>(323,765)</u>	<u>(329,920)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Intergovernmental revenue received	-	250,775	250,775
Transfers in from other funds	-	132,782	132,782
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>383,557</u>	<u>383,557</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income	486	12,108	12,594
<b>Net cash provided (used) by investing activities</b>	<u>486</u>	<u>12,108</u>	<u>12,594</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(5,669)</u>	<u>71,900</u>	<u>66,231</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	283,731	1,406,171	1,689,902
End of year	<u>\$ 278,062</u>	<u>\$ 1,478,071</u>	<u>\$ 1,756,133</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (6,106)	\$ (353,459)	\$ (359,565)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	10,412	47,561	57,973
(Increase) decrease in other assets	-	(413)	(413)
(Decrease) increase in accounts payable	(848)	(4,413)	(5,261)
(Decrease) increase in unearned revenue		(12,564)	(12,564)
(Decrease) increase in compensated absences	(9,613)	(477)	(10,090)
Total adjustments	<u>(6,155)</u>	<u>(323,765)</u>	<u>(329,920)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (6,155)</u>	<u>\$ (323,765)</u>	<u>\$ (329,920)</u>

## INTERNAL SERVICE FUNDS

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

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

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

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

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

**City of San Leandro**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2014**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>ASSETS</b>					
Cash and investments	\$ 2,136,929	\$ 1,742,257	\$ 7,352,512	\$ 1,274,651	\$ 12,506,349
Receivables:					
Accounts	208	-	565,938	-	566,146
Interest	4,400	2,889	14,675	2,641	24,605
Inventory	11,441	8,532	-	106,459	126,432
Other assets	-	1,025	-	-	1,025
<b>Total current assets</b>	<b>2,152,978</b>	<b>1,754,703</b>	<b>7,933,125</b>	<b>1,383,751</b>	<b>13,224,557</b>
Advance to other funds	-	75,000	-	-	75,000
Capital assets:					
Depreciable	43,909	5,743,539	-	6,718,577	12,506,025
Less accumulated depreciation	(6,546)	(4,836,207)	-	(5,144,003)	(9,986,756)
<b>Total Net capital assets</b>	<b>37,363</b>	<b>907,332</b>	<b>-</b>	<b>1,574,574</b>	<b>2,519,269</b>
<b>Total noncurrent assets</b>	<b>37,363</b>	<b>982,332</b>	<b>-</b>	<b>1,574,574</b>	<b>2,594,269</b>
<b>Total Assets</b>	<b>2,190,341</b>	<b>2,737,035</b>	<b>7,933,125</b>	<b>2,958,325</b>	<b>15,818,826</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	116,278	\$279,678	91,421	21,507	508,884
Claims and judgments - due in one year	-	-	1,170,645	-	1,170,645
Compensated absences payable - due in one year	2,120	7,376	450	5,408	15,354
<b>Total current liabilities</b>	<b>118,398</b>	<b>287,054</b>	<b>1,262,516</b>	<b>26,915</b>	<b>1,694,883</b>
Noncurrent Liabilities:					
Claims and judgments - due in more than one year	-	-	5,502,254	-	5,502,254
Compensated absences - due in more than one year	21,441	74,574	4,554	54,685	155,254
<b>Total noncurrent liabilities</b>	<b>21,441</b>	<b>74,574</b>	<b>5,506,808</b>	<b>54,685</b>	<b>5,657,508</b>
<b>Total Liabilities</b>	<b>139,839</b>	<b>361,628</b>	<b>6,769,324</b>	<b>81,600</b>	<b>7,352,391</b>
<b>NET POSITION</b>					
Net investment in capital assets	37,363	907,332	-	1,574,574	2,519,269
Unrestricted	2,013,139	1,468,075	1,163,801	1,302,151	5,947,166
<b>Total Net Position</b>	<b>\$ 2,050,502</b>	<b>\$ 2,375,407</b>	<b>\$ 1,163,801</b>	<b>\$ 2,876,725</b>	<b>\$ 8,466,435</b>

**City of San Leandro**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2014**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 2,876,536	\$ 3,935,200	\$ 3,557,314	\$ 2,059,321	\$ 12,428,371
Other operating revenues	208	-	228,161	25,834	254,203
<b>Total Operating Revenues</b>	<b>2,876,744</b>	<b>3,935,200</b>	<b>3,785,475</b>	<b>2,085,155</b>	<b>12,682,574</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	864,609	1,605,428	202,423	561,606	3,234,066
Contractual and other services	1,329,643	1,100,572	3,376,112	138,906	5,945,233
Materials and supplies	171,777	64,186	817	634,226	871,006
Depreciation	1,682	550,250	-	385,926	937,858
Other operating costs	353,912	908,409	99,902	317,074	1,679,297
<b>Total Operating Expenses</b>	<b>2,721,623</b>	<b>4,228,845</b>	<b>3,679,254</b>	<b>2,037,738</b>	<b>12,667,460</b>
<b>OPERATING INCOME (LOSS)</b>	<b>155,121</b>	<b>(293,645)</b>	<b>106,221</b>	<b>47,417</b>	<b>15,114</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	10,514	6,639	36,625	6,083	59,861
<b>Total nonoperating revenues (expenses)</b>	<b>10,514</b>	<b>6,639</b>	<b>36,625</b>	<b>6,083</b>	<b>59,861</b>
<b>Net income (loss)</b>	<b>165,635</b>	<b>(287,006)</b>	<b>142,846</b>	<b>53,500</b>	<b>74,975</b>
<b>NET POSITION:</b>					
Beginning of the year	1,884,867	2,662,413	1,020,955	2,823,225	8,391,460
End of the year	<u>\$ 2,050,502</u>	<u>\$ 2,375,407</u>	<u>\$ 1,163,801</u>	<u>\$ 2,876,725</u>	<u>\$ 8,466,435</u>

**City of San Leandro**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2014**

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$ -	\$ -	\$ 247,344	\$ 25,834	\$ 273,178
Receipts from interfund charges	2,876,536	3,935,315	3,557,314	2,059,321	12,428,486
Cash payments to suppliers and service providers	(1,554,920)	(950,893)	(3,581,136)	(789,203)	(6,876,152)
Cash payments to employees for services	(905,523)	(1,623,891)	(199,985)	(563,442)	(3,292,841)
Cash payments to other funds for services provided	(353,912)	(908,409)	(99,902)	(317,074)	(1,679,297)
<b>Net cash provided (used) by operating activities</b>	<u>62,181</u>	<u>452,122</u>	<u>(76,365)</u>	<u>415,436</u>	<u>853,374</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund loan	-	75,000	-	-	75,000
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(29,145)	(193,615)	-	(308,173)	(530,933)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(29,145)</u>	<u>(193,615)</u>	<u>-</u>	<u>(308,173)</u>	<u>(530,933)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Income	10,513	6,658	37,386	5,952	60,509
<b>Cash Flows from Investing Activities</b>	<u>10,513</u>	<u>6,658</u>	<u>37,386</u>	<u>5,952</u>	<u>60,509</u>
<b>Net Cash Flows</b>	<u>43,549</u>	<u>340,165</u>	<u>(38,979)</u>	<u>113,215</u>	<u>457,950</u>
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash and investments at beginning of year	2,093,380	1,402,092	7,391,491	1,161,436	12,048,399
Cash and investments at end of year	<u>\$ 2,136,929</u>	<u>\$ 1,742,257</u>	<u>\$ 7,352,512</u>	<u>\$ 1,274,651</u>	<u>\$ 12,506,349</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 155,121	\$ (293,645)	\$ 106,221	\$ 47,417	\$ 15,114
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,682	550,250	-	385,926	937,858
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(208)	-	19,183	-	18,975
(Increase) decrease in inventory	186	736	-	(1,762)	(840)
(Increase) decrease in other assets	-	(621)	-	-	(621)
(Decrease) increase in accounts payable	(53,686)	213,865	(178,982)	(14,309)	(33,112)
(Decrease) increase in claims and judgments payable	-	-	(25,225)	-	(25,225)
(Decreased) increase in compensated absences	(40,914)	(18,463)	2,438	(1,836)	(58,775)
<b>Total cash provided (used) by operating activities</b>	<u>\$ 62,181</u>	<u>\$ 452,122</u>	<u>\$ (76,365)</u>	<u>\$ 415,436</u>	<u>\$ 853,374</u>

## FIDUCIARY FUND FINANCIAL STATEMENTS

### *AGENCY FUNDS*

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

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

**City of San Leandro**  
**Combining Statement of Fiduciary Net Positions**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Deposits</u>	<u>Cherrywood</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,377,945	\$ 994,052	\$ 2,371,997
Cash and investments with fiscal agents	-	448,960	448,960
Accounts receivable	2,342	-	2,342
Interest receivable	-	671	671
<b>Total Assets</b>	<u>\$ 1,380,287</u>	<u>\$ 1,443,683</u>	<u>\$ 2,823,970</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 102,593	\$ -	\$ 102,593
Deposits payable	1,277,694	-	1,277,694
Due to bondholders	-	1,443,683	1,443,683
<b>Total Liabilities</b>	<u>\$ 1,380,287</u>	<u>\$ 1,443,683</u>	<u>\$ 2,823,970</u>

**City of San Leandro**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Deposits</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,063,035	\$ 2,603,717	\$ (2,288,807)	\$ 1,377,945
Accounts receivable	80	111,100	(108,838)	2,342
<b>Total assets</b>	<b><u>\$ 1,063,115</u></b>	<b><u>\$ 2,714,817</u></b>	<b><u>\$ (2,397,645)</u></b>	<b><u>\$ 1,380,287</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 15,441	\$ 1,003,964	\$ (916,812)	\$ 102,593
Deposits payable	1,047,674	1,800,878	(1,570,858)	1,277,694
<b>Total liabilities</b>	<b><u>\$ 1,063,115</u></b>	<b><u>\$ 2,804,842</u></b>	<b><u>\$ (2,487,670)</u></b>	<b><u>\$ 1,380,287</u></b>
<b><u>Cherrywood</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 984,872	\$ 2,772,288	\$ (2,763,108)	\$ 994,052
Cash and investments with fiscal agent	448,960	-	-	448,960
Accounts receivable	4,327	55	(4,382)	-
Interest receivable	-	671	-	671
Special assessment receivable	-	923,133	(923,133)	-
<b>Total assets</b>	<b><u>\$ 1,438,159</u></b>	<b><u>\$ 3,696,147</u></b>	<b><u>\$ (3,690,623)</u></b>	<b><u>\$ 1,443,683</u></b>
<b>Liabilities:</b>				
Due to bondholders	\$ 1,438,159	3,696,147	\$ (3,690,623)	\$ 1,443,683
<b>Total liabilities</b>	<b><u>\$ 1,438,159</u></b>	<b><u>\$ 3,696,147</u></b>	<b><u>\$ (3,690,623)</u></b>	<b><u>\$ 1,443,683</u></b>
<b><u>All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,047,907	\$ 5,376,005	\$ (5,051,915)	\$ 2,371,997
Cash and investments with fiscal agent	448,960	-	-	448,960
Accounts receivable	4,407	111,155	(113,220)	2,342
Interest receivable	-	671	-	671
<b>Total assets</b>	<b><u>\$ 2,501,274</u></b>	<b><u>\$ 5,487,831</u></b>	<b><u>\$ (5,165,135)</u></b>	<b><u>\$ 2,823,970</u></b>
<b>Liabilities:</b>				
Accounts Payable	\$ 15,441	\$ 1,003,964	\$ (916,812)	\$ 102,593
Deposits payable	1,047,674	1,800,878	(1,570,858)	1,277,694
Due to bondholders	1,438,159	3,696,147	(3,690,623)	1,443,683
<b>Total liabilities</b>	<b><u>\$ 2,501,274</u></b>	<b><u>\$ 6,500,989</u></b>	<b><u>\$ (6,178,293)</u></b>	<b><u>\$ 2,823,970</u></b>



# STATISTICAL SECTION

---

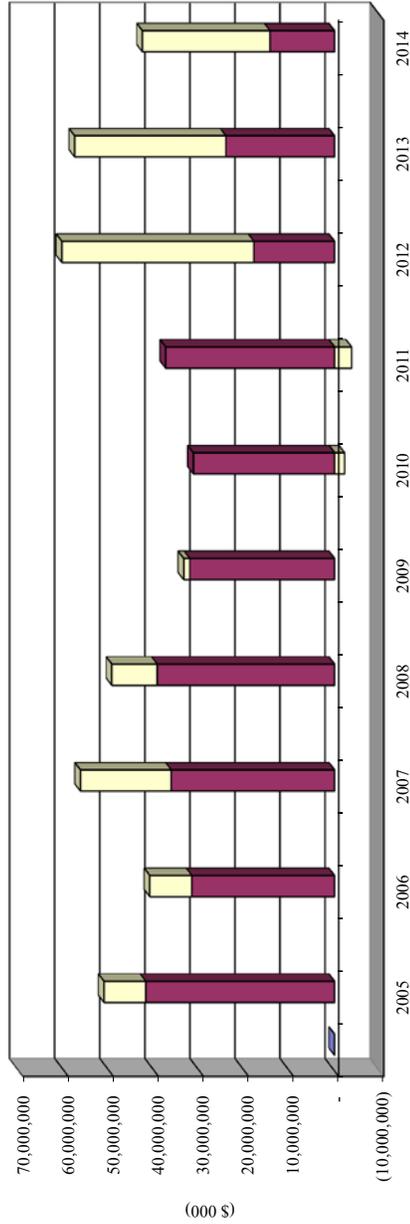
---

*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>135</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>139</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>147</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>150</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>152</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.	



City of San Leandro  
 Net Position By Component  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Government activities</b>										
Net investment in capital asset	\$ 271,398,035	\$ 291,400,560	\$ 287,403,594	\$ 288,812,935	\$ 281,144,018	\$ 267,302,013	\$ 256,542,629	\$ 251,252,877	\$ 219,701,797	\$ 225,401,873
Restricted	41,926,633	31,717,316	36,307,422	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041
Unrestricted	9,245,677	9,290,497	20,105,122	10,029,629	1,326,488	(2,174,696)	(3,737,046)	42,585,608	33,524,445	28,282,857
<b>Total governmental activities net position</b>	<b>\$ 322,570,345</b>	<b>\$ 332,408,373</b>	<b>\$ 343,816,138</b>	<b>\$ 338,252,795</b>	<b>\$ 314,649,369</b>	<b>\$ 296,481,015</b>	<b>\$ 290,294,872</b>	<b>\$ 311,786,151</b>	<b>\$ 277,388,358</b>	<b>\$ 268,055,771</b>
<b>Business-Type activities</b>										
Net investment in capital asset	\$ 14,040,265	\$ 11,028,943	\$ 11,074,087	\$ 11,197,748	\$ 12,992,419	\$ 20,162,046	\$ 26,832,033	\$ 30,737,068	\$ 32,979,235	\$ 31,512,875
Restricted	6,406,958	13,364,147	16,526,068	20,001,036	20,122,930	17,044,724	15,133,537	13,097,006	15,002,725	21,031,537
Unrestricted	20,447,223	24,393,090	27,600,155	31,198,784	33,115,349	37,206,770	41,965,570	43,834,074	47,981,960	52,544,412
<b>Total governmental activities net position</b>	<b>\$ 285,438,300</b>	<b>\$ 302,429,503</b>	<b>\$ 298,477,681</b>	<b>\$ 300,010,683</b>	<b>\$ 294,136,437</b>	<b>\$ 288,464,059</b>	<b>\$ 283,374,663</b>	<b>\$ 281,989,945</b>	<b>\$ 252,681,032</b>	<b>\$ 256,914,748</b>
<b>Primary government</b>										
Net investment in capital asset	41,926,633	31,717,316	36,307,422	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041
Restricted	15,652,635	22,654,644	36,631,190	30,030,655	21,449,378	14,870,038	11,396,491	55,682,614	48,527,170	49,314,594
Unrestricted	343,017,568	356,801,463	371,416,293	369,451,569	347,764,678	334,687,795	332,260,443	355,620,225	325,370,318	320,600,183
<b>Total governmental activities net position</b>	<b>\$ 285,438,300</b>	<b>\$ 302,429,503</b>	<b>\$ 298,477,681</b>	<b>\$ 300,010,683</b>	<b>\$ 294,136,437</b>	<b>\$ 288,464,059</b>	<b>\$ 283,374,663</b>	<b>\$ 281,989,945</b>	<b>\$ 252,681,032</b>	<b>\$ 256,914,748</b>

Source: City of San Leandro Finance Department

**City of San Leandro  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General government	\$22,013,602	\$22,864,200	\$11,546,534	\$17,379,663	\$16,572,072	\$11,989,774	\$10,759,754	\$10,238,787	\$13,166,855	\$11,609,391
Public safety	35,819,441	37,415,908	41,972,128	44,061,645	44,229,183	45,063,334	45,936,832	43,574,011	45,465,294	47,180,237
Engineering & Transportation	9,108,518	2,260,498	11,989,696	16,292,698	15,101,806	18,209,182	22,720,292	23,903,746	25,662,305	31,712,176
Recreation & Culture	11,688,705	12,714,017	15,937,218	15,064,531	11,416,088	9,906,448	11,042,582	9,894,015	11,586,223	11,786,747
Community Development	7,509,785	11,238,106	9,351,983	15,725,787	28,119,209	24,202,918	17,541,521	8,178,377	4,904,402	5,389,381
Interest on long-term debt	3,766,213	3,924,447	4,275,336	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	2,548,119	2,097,257
Total Governmental Activities Expenses	89,906,264	90,417,176	95,072,895	111,761,705	120,788,184	113,897,366	112,183,390	98,106,689	103,333,198	109,775,189
Business-type activities:										
Water Pollution Control	7,467,822	6,979,509	9,247,290	9,093,554	9,248,677	6,231,639	5,856,452	8,395,692	7,499,555	\$7,978,058
Shoreline	3,025,760	2,470,221	2,139,089	2,355,311	2,244,002	2,180,794	1,997,753	1,848,428	1,861,532	1,922,489
San Leandro Housing Finance Corp	669,147	946,776	-	-	-	-	-	-	-	-
Storm Water Utility	1,056,165	921,120	928,752	896,951	993,330	886,379	844,604	919,998	978,816	1,078,252
Environmental Services	1,171,903	1,453,306	1,189,664	1,460,466	1,544,564	1,348,181	1,333,145	1,222,543	1,175,257	1,027,054
Total Business-type activities expenses	13,390,797	12,770,932	13,504,795	13,806,282	14,030,573	10,646,993	10,031,954	12,386,661	11,515,160	12,005,853
<b>Program Revenues</b>										
Governmental activities:										
Property taxes	18,883,832	21,167,178	24,742,722	26,200,221	27,654,817	27,087,224	26,720,790	22,357,186	17,631,582	18,514,127
Sales tax	20,704,782	22,144,559	23,407,407	22,251,900	19,095,799	17,594,934	21,811,494	24,126,105	26,304,583	29,097,614
Franchise fees	3,597,465	3,362,681	4,496,415	4,142,284	4,125,705	4,005,464	4,124,846	4,231,420	4,444,251	4,581,920
Utility users tax	10,018,039	10,383,676	10,175,460	10,420,171	10,103,090	9,783,055	9,932,893	9,968,546	9,888,123	10,157,762
Property transfer tax	5,891,509	6,417,694	4,539,402	2,924,656	2,870,441	2,297,145	2,528,604	2,981,685	2,956,419	3,282,026
911 communication access area	-	-	-	-	-	2,711,671	2,694,149	2,684,591	2,723,255	2,804,181
Other taxes	323,466	315,382	322,160	361,261	294,496	333,079	381,122	555,988	591,016	652,866
Motors Vehicle License Fees	530,076	530,525	472,542	320,508	278,615	242,416	506,280	42,294	44,112	36,768
Investment	2,506,853	3,150,513	4,498,742	3,836,259	3,025,658	1,419,378	1,300,123	1,098,406	919,213	1,255,043
Community Impact Reimbursement	-	-	-	-	-	3,100,000	-	-	-	-
Miscellaneous	1,920,545	826,816	873,742	657,731	1,597,574	599,189	1,158,044	988,126	962,356	514,851
Gain on sale of assets	-	516,633	11,621	-	-	20,914	20,914	3,353	393,741	16,196
Transfers	(147,114)	(50,594)	(82,214)	(182,509)	85,874	(67,942)	240,484	234,349	(72,135)	-
Charges for Service	10,899,821	12,501,369	16,452,204	20,126,325	15,971,619	12,568,443	17,062,792	12,200,726	13,735,756	14,989,867
Capital grants and contributions	8,944,136	13,005,869	11,455,259	9,303,323	8,590,057	10,830,576	6,581,532	11,416,356	7,216,114	10,009,842
Operating grants and contributions	2,470,325	4,603,121	5,115,198	5,836,232	3,490,973	4,224,429	3,783,171	5,585,461	5,672,929	4,529,539
Total governmental activities program revenues	86,543,735	98,875,422	106,480,660	106,198,362	97,184,718	96,729,061	98,847,238	98,474,592	93,411,315	100,442,602
Business-type activities:										
Charges for services	13,360,589	15,100,992	14,626,541	14,832,288	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395
Other taxes	213,520	299,126	298,633	342,189	296,184	233,880	257,977	323,430	360,246	417,231
Investment Earnings	577,242	723,250	1,378,939	1,616,038	928,796	454,893	167,407	141,980	209,659	264,904
Miscellaneous	293,756	542,837	325,532	431,887	532,897	265,091	338,196	418,969	207,795	250,775
Gain or loss on sale of assets	-	-	-	-	-	-	-	(1,290,470)	-	-
Transfers	147,114	50,594	82,214	182,509	(85,874)	67,942	(240,484)	(234,349)	72,135	-
Total Business-type activities revenues	14,592,221	16,716,799	16,711,859	17,404,911	15,947,138	14,738,414	14,790,754	14,255,164	15,663,046	16,568,305
Total primary government program revenues	101,135,956	115,592,221	123,192,519	123,603,273	113,131,856	111,467,475	113,637,992	112,729,756	109,074,361	117,010,907
Extraordinary Items								21,123,375		
<b>Net revenues (expenses):</b>										
Governmental Activities	(3,362,529)	8,458,247	11,407,765	(5,563,343)	(23,603,466)	(17,168,305)	(13,336,152)	367,903	(9,921,883)	(9,332,587)
Business-type activities	1,201,424	3,945,867	3,207,064	3,598,629	1,916,565	4,091,421	4,758,800	1,868,503	4,147,886	4,562,452
Total net revenues (expenses)	\$ (2,161,105)	\$ 12,404,114	\$ 14,614,829	\$ (1,964,714)	\$ (21,686,901)	\$ (13,076,884)	\$ (8,577,352)	\$ 2,236,406	\$ (5,773,997)	\$ (4,770,135)

Source: City of San Leandro Finance Department

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Program/ Function</b>										
<b>Governmental Activities:</b>										
General Government	\$ 4,458,257	\$ 4,328,363	\$ 6,597,981	\$ 5,208,888	\$ 4,871,544	\$ 5,342,619	\$ 5,242,934	\$ 7,367,750	\$ 7,436,918	\$ 7,310,491
Public Safety	4,045,135	5,480,658	6,588,624	6,038,357	5,111,223	3,475,388	3,423,176	4,385,001	4,482,346	3,749,814
Engineering and transportation	8,583,331	13,157,731	11,789,460	10,797,882	11,376,411	13,195,059	7,469,186	10,661,253	6,723,903	9,607,387
Recreation and culture	3,476,619	3,470,771	4,576,105	4,353,066	3,414,103	3,614,696	4,368,731	4,551,617	4,022,452	5,114,524
Community development	1,750,940	3,741,298	3,470,491	8,867,688	3,279,368	1,995,686	6,923,466	2,036,922	3,959,180	3,747,032
Interest on long-term debt	3,766,213	3,924,447	4,275,336	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	-	-
Subtotal governmental activities	22,314,282	30,178,821	33,022,661	35,265,881	28,052,649	27,623,448	27,427,493	29,202,543	26,624,799	29,529,248
<b>Business-type activities:</b>										
Water Pollution Control Plant	9,306,736	10,267,776	10,647,063	11,016,298	10,445,163	10,081,964	10,478,066	11,189,362	11,266,178	11,961,374
Shoreline	2,379,343	2,234,105	2,303,029	2,134,271	2,062,949	1,941,119	1,944,513	1,968,839	1,846,750	1,928,280
Storm Water Utility	1,048,228	1,055,105	1,054,947	1,059,667	1,052,608	1,079,178	1,098,114	1,078,455	1,086,070	1,072,146
Environmental Services	626,282	630,344	621,502	622,052	714,415	614,347	746,965	658,948	614,213	673,595
Subtotal business-type activities	13,360,589	14,187,330	14,626,541	14,832,288	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395
<b>Total primary government</b>	<b>\$ 35,674,871</b>	<b>\$ 44,366,151</b>	<b>\$ 47,649,202</b>	<b>\$ 50,098,169</b>	<b>\$ 42,327,784</b>	<b>\$ 41,340,056</b>	<b>\$ 41,695,151</b>	<b>\$ 44,098,147</b>	<b>\$ 41,438,010</b>	<b>\$ 45,164,643</b>

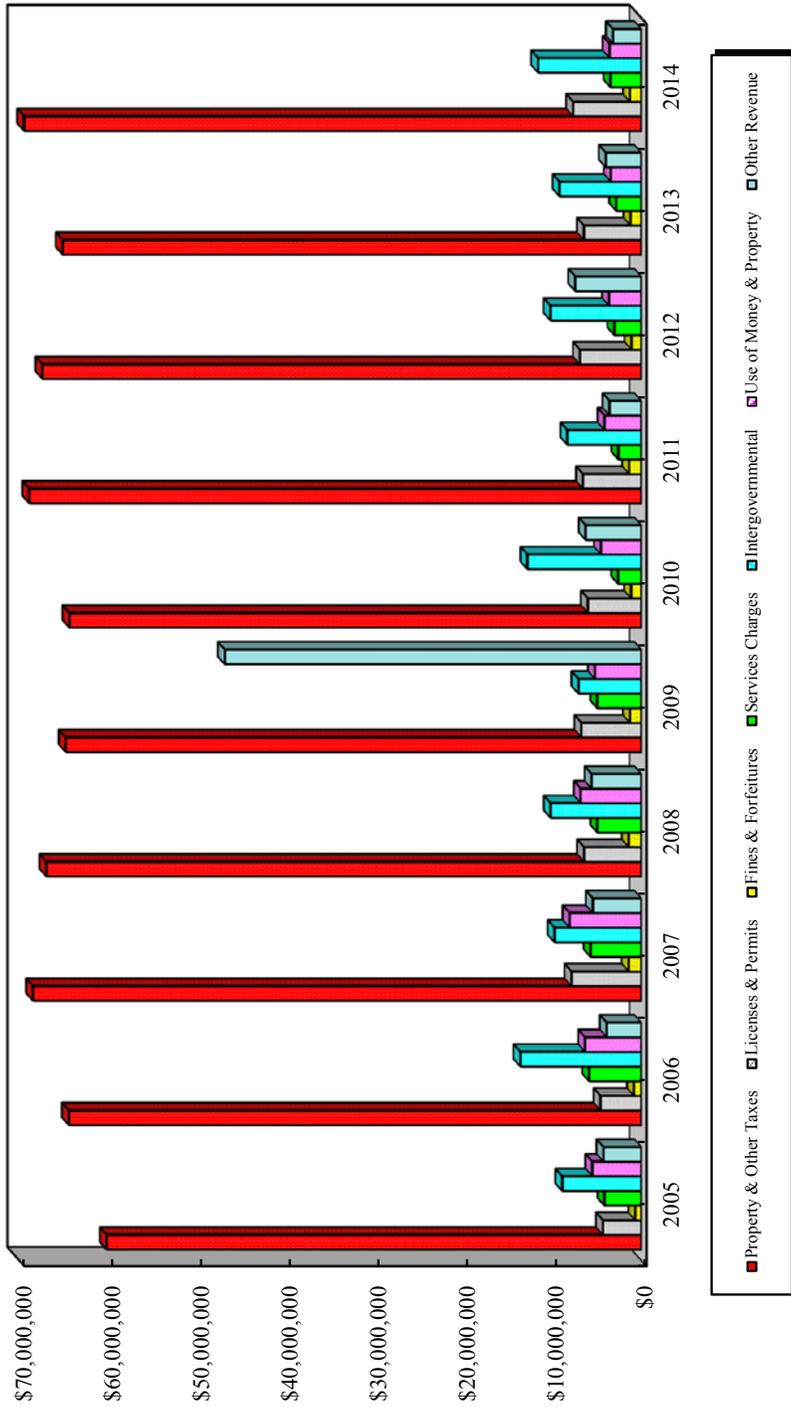
Source: City of San Leandro Finance Department

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

	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund	\$ 18,843,168	\$ 19,835,830	\$ 17,904,586	\$ 18,149,255	\$ 14,614,515	\$ 13,730,510	\$ -	\$ -	\$ -	\$ -
Reserved	13,936,704	16,962,489	25,319,167	19,152,403	15,074,450	12,672,277	-	-	-	-
Unreserved	-	-	-	-	-	-	10,377,840	10,147,160	10,147,160	10,147,160
Nonspendable	-	-	-	-	-	-	50,000	50,000	50,000	50,000
Restricted	-	-	-	-	-	-	3,437,827	3,555,009	264,275	662,973
Assigned	-	-	-	-	-	-	11,814,319	10,717,313	14,836,844	18,762,223
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 32,779,872	\$ 36,798,319	\$ 43,223,753	\$ 37,301,658	\$ 29,688,965	\$ 26,402,787	\$ 25,679,986	\$ 24,469,482	\$ 25,298,279	\$ 29,622,356
All Other Governmental Funds	15,974,817	20,344,382	21,797,518	20,775,067	33,916,323	21,700,213	-	-	-	-
Reserved	4,842,210	491,396	-	-	-	-	-	-	-	-
Unreserved, designated, reported in:	4,028,438	4,684,942	7,013,915	6,907,672	5,760,645	6,827,714	-	-	-	-
Special revenue funds	14,935,095	-	333,153	337,211	3,973,218	4,803,372	-	-	-	-
Capital projects funds	-	-	-	-	-	-	2,475,000	-	-	-
Nonspendable	-	-	-	-	-	-	33,274,967	17,809,532	17,417,246	16,083,695
Restricted	-	-	-	-	-	-	(948,387)	-	-	-
Assigned	-	-	-	-	-	-	-	(132,601)	(1,646,590)	(1,712,654)
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	39,780,560	25,520,720	29,144,586	28,019,950	43,650,186	33,331,299	34,801,580	17,676,931	15,770,656	14,371,041
Total All Governmental Funds	\$ 72,560,432	\$ 62,319,039	\$ 72,368,339	\$ 65,321,608	\$ 73,339,151	\$ 59,734,086	\$ 60,481,566	\$ 42,146,413	\$ 41,068,935	\$ 43,993,397

Source: City of San Leandro Finance Department

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



Source: City of San Leandro Comprehensive Annual Financial Report

**City of San Leandro  
Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Property and other taxes	\$ 60,174,541	\$ 64,418,048	\$ 68,452,345	\$ 66,945,559	\$ 64,771,891	\$ 64,359,726	\$ 68,879,116	\$ 67,388,968	\$ 65,125,564	\$ 69,453,813
Licenses and permits	4,333,781	4,612,703	7,884,927	6,461,407	6,768,204	6,027,904	6,585,076	6,940,678	6,482,902	7,700,470
Fines and forfeitures	685,984	837,602	1,431,689	1,418,732	1,296,568	1,149,193	1,377,230	1,110,669	1,237,354	1,302,814
Service charges	4,163,570	5,885,823	5,732,825	4,965,783	4,977,492	2,627,851	2,593,610	3,051,084	2,830,649	3,492,225
Intergovernmental	8,929,406	13,635,816	9,798,718	10,224,260	7,106,997	12,853,697	8,351,105	10,246,859	9,233,120	11,640,225
Use of money and property	5,528,100	6,351,599	8,102,189	6,841,974	5,244,637	4,558,887	4,152,296	3,645,827	3,445,104	3,582,413
Intergovernmental	1,675,142	1,783,790	1,746,385	1,799,108	1,858,477	2,272,568	2,295,293	2,401,869	2,001,928	2,002,139
Other	2,595,829	2,117,855	3,734,825	3,824,523	5,542,756	4,012,703	1,294,092	5,054,650	2,009,829	1,212,971
Total Revenues	88,086,353	99,643,196	106,883,903	102,481,346	97,567,022	97,862,529	95,527,818	99,840,604	92,366,450	100,387,665
<b>Expenditures</b>										
Current:										
General government	10,480,346	10,242,278	10,027,035	10,996,927	10,866,088	10,353,861	9,684,293	9,943,871	12,993,178	11,350,118
Public safety	37,694,476	39,807,817	41,571,598	44,084,646	45,409,707	45,420,060	43,727,641	68,789,652	46,437,960	46,983,838
Engineering and transportation	13,805,174	15,798,762	12,329,183	16,521,818	15,641,026	18,203,786	12,231,307	9,778,421	14,550,085	19,310,489
Recreation and culture	13,316,923	19,367,598	15,968,022	15,408,155	12,100,517	9,854,633	9,560,878	8,373,427	10,274,496	10,244,659
Community development	7,460,908	12,120,215	9,528,638	16,002,716	27,126,823	24,397,598	11,342,937	9,236,773	4,311,194	5,138,376
Capital Outlay	3,274,784	6,952,452	1,781,883	232,636	-	-	-	5,763,826	-	-
Debt service:										
Principal	2,485,071	2,959,219	2,150,594	2,610,861	3,372,481	3,305,968	3,175,797	3,511,866	1,577,051	2,271,828
Interest and fees	3,837,316	3,947,868	4,403,856	3,448,347	4,917,152	4,578,463	4,247,973	3,043,070	2,605,761	2,163,895
Total Expenditures	92,354,998	111,196,209	97,760,809	109,306,106	119,433,794	116,114,369	93,970,826	118,440,906	92,749,725	97,463,203
Excess (deficiency) of revenues over (under) expenditures	(4,268,645)	(11,553,013)	9,123,094	(6,824,760)	(21,866,772)	(18,251,840)	1,556,992	(18,600,302)	(383,275)	2,924,462
Other financing Sources (uses):										
Issuance of capital lease	3,048,260	-	-	-	-	-	-	-	-	-
Proceeds from refunding of bonds	-	-	23,425,000	-	-	-	-	-	(9,817,009)	-
Payment to refunded bonds escrows agt	-	-	(24,731,033)	-	-	-	-	-	-	-
Transfers in	6,738,067	3,240,998	4,693,117	5,895,216	11,774,023	8,598,106	8,290,220	6,029,970	577,000	776,000
Transfers out	(6,955,181)	(3,309,159)	(4,405,832)	(6,117,186)	(9,615,363)	(6,913,048)	(9,099,736)	(5,775,621)	(1,606,599)	(776,000)
Bonds Proceeds	-	-	-	-	27,725,655	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	2,500,000	-	-	-	-
Lease Proceeds	-	-	-	-	-	461,717	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	-
ing sources (uses)	2,831,146	(68,161)	(1,018,748)	(221,970)	29,884,315	4,646,775	(809,516)	18,305,000	10,152,405	-
Prior period restatement	-	1,379,781	1,944,954	-	-	-	-	18,559,349	(694,203)	-
Net change in fund balances	\$ (1,437,499)	\$ (10,241,393)	\$ 10,049,300	\$ (7,046,730)	\$ 8,017,543	\$ (13,603,065)	\$ 747,476	\$ (40,953)	\$ (1,077,478)	\$ 2,924,462
Debt service as a percentage of noncapital expenditures	7.40%	8.30%	7.52%	5.94%	7.52%	7.73%	8.09%	5.82%	4.78%	4.62%

Source: City of San Leandro Finance Department

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

Fiscal Year	City Direct Rates			Overlapping Rates			Total
	Alameda County Wide Levy	Bay Area Rapid Transit District	East Bay Regional Park District	Chabot Las-Positas Community College Bonds	San Leandro Unified School District Bonds		
2005	1.0000	0.0000	0.0057	0.0186	0.0363	1.0606	
2006	1.0000	0.0048	0.0057	0.0158	0.0358	1.0621	
2007	1.0000	0.0076	0.0080	0.0164	0.0767	1.1087	
2008	1.0000	0.0076	0.0080	0.0164	0.0767	1.1087	
2009	1.0000	0.0090	0.0100	0.0183	0.0699	1.1072	
2010	1.0000	0.0057	0.0108	0.0195	0.0771	1.1131	
2011	1.0000	0.0031	0.0084	0.0211	0.0897	1.1223	
2012	1.0000	0.0041	0.0071	0.0214	0.1108	1.1434	
2013	1.0000	0.0043	0.0051	0.0219	0.1085	1.1398	
2014	1.0000	0.0075	0.0078	0.0214	0.1188	1.1555	

Notes:  
 In 1978 California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the property tax resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of San Leandro Unified School District and Chabot/Las Positas Community College bonds.

Source: Alameda County Auditor-Controller's Office

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

Fiscal Year Ended June 30	City				Successor Agency				Total Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2005	7,221,647	526,799	(182,526)	7,565,920	2,738,684	346,422	(63,818)	3,021,288	1.00%
2006	7,752,095	538,060	(201,155)	8,089,000	2,902,768	357,620	(73,877)	3,186,511	1.00%
2007	8,490,385	577,326	(193,142)	8,874,569	3,174,542	396,648	(65,057)	3,506,133	1.00%
2008	9,065,717	568,195	(180,546)	9,453,366	3,337,069	396,034	(66,847)	3,666,256	1.00%
2009	9,525,308	556,811	(207,657)	9,874,462	3,593,007	393,869	(87,613)	3,899,263	1.00%
2010	9,102,245	570,588	(218,845)	9,453,988	3,599,645	395,243	(110,812)	3,884,076	1.00%
2011	9,094,918	559,970	(238,681)	9,416,207	3,568,829	406,084	(208,631)	3,766,282	1.00%
2012	9,109,542	532,437	(224,006)	9,417,973	3,570,284	382,532	(123,831)	3,828,985	1.00%
2013	10,264,814	512,808	(322,596)	10,455,025	4,365,737	359,508	(139,085)	4,586,160	1.00%
2014	11,004,707	520,221	(1,104,630)	10,420,298	4,694,159	367,800	(907,973)	4,153,986	1.00%

Notes:  
In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to limitations described above.

Source: Alameda County Tax Assessor's Office

**City of San Leandro  
Principal Property Tax Payers  
June 30, 2014  
Current Year and Ten Years Ago**

Taxpayer	2014			2003		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Valuation
Kaiser Foundation Hospitals	\$ 683,951,819	1	7.23%			
Ghiradelli Chocolate Company	106,654,364	2	1.13%	45,667,709	3	0.75%
BCI Coca Cola Bottling Co	83,871,198	3	0.89%	27,831,813	10	0.45%
Madison Bay Fair LLC	79,424,865	4	0.84%			
General Foods Corp	63,398,351	5	0.67%	45,621,504	4	0.74%
AMB US Logistics Fund LP	60,919,472	6	0.64%			
AMB-SGP CIF-California LLC	51,030,600	7	0.54%	114,867,163	1	1.87%
SKB Westgate Investments LLC	49,194,684	8	0.52%			
Waste Mgmt of Alameda Cty Inc	48,221,383	9	0.51%			
Standard Lakeside LP	112,203,307	10	1.19%			
Safeway Stores Inc	45,424,117	-	0.48%	36,796,371	6	0.60%
Anthony A Batarse, Jr. Trust	37,090,289	-	0.39%	21,103,354	13	0.34%
Gateway Buena Park, Inc.	36,440,413	-	0.39%			
AMB Property LP	34,719,654	-	0.37%			
Georgia Pacific Corrugated LLC	31,098,118	-	0.33%			
Peterson Power Systems, Inc	30,202,134	-	0.32%			
Emerald Properties	29,939,527	-	0.32%	32,793,173	8	0.54%
<b>Totals</b>	<b>\$ 1,338,870,043</b>		<b>14.15%</b>	<b>\$ 233,988,189</b>		<b>3.82%</b>

Source: Alameda County Tax Assessor's Office

Notes: 2013-14 Gross, Total, Secured City Assessed Valuation, less all exemptions except for the homeowner exemption.

**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
2005	8,151,531	7,610,802	93.37%	165,308	-	7,776,110	95.39%
2006	8,720,537	8,105,748	92.95%	210,562	-	8,316,310	95.36%
2007	9,483,392	8,908,943	93.94%	393,199	-	9,302,142	98.09%
2008	10,093,368	9,370,261	92.84%	424,812	-	9,795,074	97.04%
2009	10,425,968	9,686,655	92.91%	322,758	-	10,009,413	96.00%
2010	9,857,438	9,303,586	94.38%	378,646	-	9,682,232	98.22%
2011	9,800,011	9,307,532	94.97%	230,948	-	9,538,480	97.33%
2012	9,676,693	9,190,945	94.98%	261,132	266,242	9,718,319	100.43%
2013	9,959,351	10,142,627	101.84%	287,147	222,507	10,652,282	106.96%
2014	10,732,261	10,338,768	96.33%	177,313	289,806	10,805,887	100.69%

Source: Alameda County Auditor-Controller's Office

**City of San Leandro**  
**Sales Tax Remittance By Category**  
**Last Ten Calendar Years**  
**(in thousands)**

Tax Remitter	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Department Stores	\$ 3,541	\$ 3,253	\$ 3,158	\$ 2,847	\$ 3,161	\$ 3,093	\$ 3,149	\$ 3,194	\$ 3,213	\$ 3,181
Auto Sales - New	2,557	2,440	2,171	1,957	1,343	1,476	1,882	2,055	2,111	2,457
Building Materials - Wholesale	2,557	2,643	2,171	1,779	1,150	1,192	1,393	1,340	1,405	1,541
Light Industry	1,377	1,830	1,777	1,246	809	708	766	756	738	848
Building Materials - Retail	1,180	1,220	987	890	901	886	918	1,021	232	232
Heavy Industry	983	1,220	1,184	1,246	1,138	1,156	1,374	1,194	1,542	1,834
Restaurants	983	1,016	1,184	1,068	1,097	1,100	1,150	1,232	1,264	1,378
Miscellaneous Retail	590	813	790	712	680	605	642	713	742	780
Apparel Stores	983	1,016	987	1,068	1,057	1,157	1,232	1,351	1,378	1,443
Service Stations	787	1,016	987	1,068	865	1,007	1,178	1,321	1,287	1,260
Food Markets	-	407	-	534	453	437	452	537	541	505
Leasing	590	-	-	-	281	120	187	324	341	335
Auto Parts/Repair	-	-	592	-	479	540	587	821	867	988
All Other	3,541	3,456	3,751	3,381	2,550	2,828	2,829	2,667	2,508	2,262
	<u>\$ 19,670</u>	<u>\$ 20,330</u>	<u>\$ 19,740</u>	<u>\$ 17,794</u>	<u>\$ 15,964</u>	<u>\$ 16,305</u>	<u>\$ 17,739</u>	<u>\$ 18,526</u>	<u>\$ 18,169</u>	<u>\$ 19,044</u>

Source: Muni Financial Services

Notes: For Calendar year 2013 information is only available for the first quarter.

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

Fiscal Year	Sewer			Non-Residential	
	Single Family	Multi-Family		Commercial	Institutional
2005	22.32	15.84		2.70 - 5.52	2.42
2006	24.93	17.69		2.97 - 6.07	2.33
2007	26.29	18.65		3.13 - 6.40	2.45
2008	26.29	18.65		3.13 - 6.40	2.45
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

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

Source: City of San Leandro Public Works Department

City of San Leandro  
 Direct and Overlapping Debt  
 June 30, 2014

2013-14 Assessed Valuation \$10,560,252,639

**Ratios to 2013-14 Assessed Valuation:**

Total Overlapping Tax And Assessment Debt	2.48%
Population	89,189
Personal Income	5,545,682,831
	City's Share of Debt
	06/30/2014

**DIRECT LONG TERM DEBT:**

	Total Debt	%	%
City of San Leandro 2007 Certificates of Participation	\$ 18,445,000	100	\$ 18,445,000
City of San Leandro 2013 Lease Revenue Bonds	8,743,000	100	8,743,000
City of San Leandro 2012 Pension Obligations	16,675,000	100	16,675,000
City of San Leandro Capital Lease	694,992	100	694,992
City of San Leandro Other Debt	2,107,000	100	2,107,000
City of San Leandro Marina Note	1,891,755	100	1,891,755
City of San Leandro State Water Resource Board	36,022,900	100	36,022,900
	<b>\$ 84,579,647</b>		<b>\$ 84,579,647</b>

**OVERLAPPING TAX AND ASSESSMENT DEBT:**

Percentage of overlapping agency's assessed valuation located within boundaries of the city.

Bay Area Rapid Transit District	\$ 648,275,000	2.009%	\$ 13,023,845
Chabot-Las Positas Community College District	432,337,431	11.546	49,917,680
San Leandro Unified School District	190,113,573	91.275	173,526,164
San Lorenzo Unified School District	103,215,000	21.918	22,622,664
East Bay Regional Park District	202,210,000	3.101	6,270,532
City of San Leandro Cherrywood Community Facilities District	3,650,000	100	3,650,000
	<b>\$ 1,579,801,004</b>		<b>\$ 269,010,884</b>

**TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT**

**OVERLAPPING GENERAL FUND DEBT:**

San Lorenzo Unified School District Certificate of Participation	\$ 8,735,000		\$ 1,914,537
Alameda County General Fund Obligations	893,799,500	5.076	45,369,263
Alameda County Pension Obligations	87,787,424	5.076	4,456,090
Alameda-Contra Costa Transit District Certificates of Participation	28,155,000	6.011	1,692,397
	<b>\$ 1,018,476,924</b>		<b>\$ 53,432,286</b>

**TOTAL OVERLAPPING GENERAL FUND DEBT**

	Amount	% of Gross Assessed Valuation	% Total Personal Income	Per Capita Long-Term Debt
<b>DIRECT LONG-TERM DEBT</b>	\$ 88,229,647	0.84%	1.59%	989
<b>OVERLAPPING DEBT</b>	318,793,170	3.02%	5.75%	3,574
	<b>\$ 407,022,817</b>			

**GRAND TOTAL DIRECT AND OVERLAPPING DEBT (2)**

Source: California Municipal Statistics

**City of San Leandro  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Special Assessment Bonds				Coverage
	Special Assessment Collections	Debt Service		Interest	
		Principal	Interest		
2005	239,560	230,000	61,698	61,698	1.22
2006	92,235	250,000	49,338	49,338	3.25
2007	175,866	130,000	35,775	35,775	0.94
2008	80,036	135,000	26,441	26,441	2.02
2009	66	145,000	16,416	16,416	2,445.70
2010	-	155,000	5,592	5,592	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-

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

Source: City of San Leandro

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Valuation:										
Secured property assessed value	\$ 7,554,407,513	\$ 8,300,642,672	\$ 8,886,531,894	\$ 9,318,787,490	\$ 8,890,723,914	\$ 8,864,732,304	\$ 8,893,409,893	\$ 9,359,287,988	\$ 9,951,536,608	\$ 9,908,777,911
Addback: exempt real property	197,687,046	190,742,425	179,186,095	206,520,301	211,520,769	230,185,749	216,131,933	226,783,107	313,277,049	10,959,295
Total Assessed Valuation	\$ 7,752,094,559	\$ 8,491,385,097	\$ 9,065,717,989	\$ 9,525,307,791	\$ 9,102,244,683	\$ 9,094,918,053	\$ 9,109,541,826	\$ 9,586,071,095	\$ 10,264,813,657	\$ 9,919,737,206
Bonded debt (15% of Assessed Value)	\$ 1,162,814,184	\$ 1,273,707,765	\$ 1,359,857,698	\$ 1,428,796,169	\$ 1,365,336,702	\$ 1,364,237,708	\$ 1,366,431,274	\$ 1,437,910,664	\$ 1,539,722,049	\$ 1,487,960,581
Total Bonded Debt	66,183,260	64,234,740	62,180,004	60,138,458	85,302,265	82,973,241	80,112,833	98,071,722	95,407,754	97,295,286
Less:										
Special assessment bonds	(815,000)	(565,000)	(435,000)	(300,000)	(155,000)	-	-	-	-	-
Certificates of Participation	(41,200,000)	(40,245,000)	(39,085,000)	(38,015,000)	(37,015,000)	(35,660,000)	(34,420,000)	(29,515,000)	(19,250,000)	(43,863,000)
Lease Fire Truck	(3,048,260)	(2,609,740)	(2,175,004)	(1,683,458)	(1,237,265)	(1,238,241)	(772,883)	(287,790)	(980,819)	(694,992)
Amount of Debt subject to Limit	21,120,000	20,815,000	20,485,000	20,140,000	46,895,000	46,075,000	44,919,950	68,268,932	75,176,935	52,737,294
Legal Debt Margin	\$ 1,141,694,184	\$ 1,252,892,765	\$ 1,339,372,698	\$ 1,408,656,169	\$ 1,318,441,702	\$ 1,318,162,708	\$ 1,321,511,324	\$ 1,369,641,732	\$ 1,464,545,114	\$ 1,435,223,287

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

Source: County of Alameda office of Auditor-Controller

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

Calendar Year	Population	Personal Income Million of Dollars	Per Capita Personal Income	Median Age	School Enrollment	Median Home Price	Consumer Price Index	Unemployment Rate
2005	81,013	215,791	51,964	40.00	8,727	527,500	201.200	5.1%
2006	80,928	233,248	59,600	37.70	8,724	552,500	209.100	4.6%
2007	81,273	259,428	62,000	36.70	8,729	477,500	216.120	5.0%
2008	81,851	265,954	62,500	37.70	8,722	363,000	225.180	6.9%
2009	82,472	259,043	57,600	38.00	8,855	305,000	225.692	10.3%
2010	83,183	265,969	59,300	38.90	8,801	334,194	227.697	10.8%
2011	85,490	269,588	61,395	39.54	9,000	309,800	232.082	10.0%
2012	85,941	-	-	37.60	8,776	320,000	228.110	9.3%
2013	86,666	-	-	39.10	8,769	400,000	245.935	7.4%
2014	89,189	-	62,179	39.20	8,668	440,000	253.317	6.30%

Notes: Personal and Per Capita Bureau of Economic- San Francisco -Oakland-Fremont Metropolitan Statistical Area 2012-2013 are not available  
The City implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation is not available.

Sources: Population provided by the State Department of Finance. Personal income provided by the Bureau of Economic Analysis.  
Median Age provided by the US Census Bureau. Median Home Price provided by Trulia the  
Unemployment Rate provided by the Bureau of Labor Statistics.

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

Employer	2014			2003		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
San Leandro Unified School District	1,095	1	3.36%	891	1	3.27%
Permanente Medical Group Inc.	727	2	2.23%			
City of San Leandro	509	2	1.56%	495	7	1.82%
Ghirardelli Chocolate, Co.	426	3	1.31%	283		1.04%
Wal - Mart Store 2648	267	4	0.82%	419		1.54%
OSI Soft, LLC	333	5	1.02%	-		0.00%
BCI Coca-Cola Bottling Co-Service	285	6	0.87%	275		1.01%
Target Store T-1428	255	7	0.78%	265		0.97%
Costco Wholesale	291	8	0.89%	282	10	1.04%
Paramedics Plus LLC	288	9	0.88%	-		0.00%
Kindred Hopital-SF Bay Area	294	10	0.90%	246		0.90%
MV Public Transportation	259	-	0.79%	200		0.73%
BCI Coca-Cola Bottling Co-Mftg	216	-	0.66%	-		0.00%
Wal - Mart Store 5434	206	-	0.63%	-		0.00%
Splay Inc	214	-	0.66%	-		0.00%
Georgia Pacific Corrugated LLC	185	-	0.57%	-		0.00%

Source: City of San Leandro, San Leandro Unified School District

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	58	59	57	59	62	55	49	51	50	51
Police	151	142	141	147	150	142	133	136	136	139
Engineering & Transportation	32	31	30	29	30	30	25	25	27	27
Development Services	24	24	24	24	23	19	18	19	21	22
Public Works Services	121	123	118	120	122	113	104	103	102	101
Other Agencies	6	6	8	9	8	9	8	8.5	0	0
Library	37	37	45	46	49	40	33	33	33	33
Recreation & Human Services	54	54	57	73	57	45	35	33	37	39
Total	483	476	480	507	501	453	405	409	406	412

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Police Department:</u>										
Arrests	4,775	4,769	3,769	3,939	4,026	3,722	3,486	3,299	3,279	3,036
<u>Building Department:</u>										
Permits Issued	3,957	4,014	2,791	3,569	2,541	2,507	2,446	2,503	2,564	2,624
<u>Public Works Department:</u>										
Street resurfacing (miles)	2	3	-	2	2	3	4.5	1.54	0	0
<u>Parks and Recreation:</u>										
Number of registrants	17,848	13,203	18,033	21,850	18,413	16,584	17,099	20,236	21,324	18,914
Number of facility rentals	634	542	602	746	752	705	1,190	1,282	1,999	2,656
<u>Golf Course:</u>										
Golf rounds played	109,000	106,000	110,104	102,182	101,760	98,000	98,000	97,310	95,995	96,450

Notes:

Fire Services are contracted with the Alameda County Fire Department.

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Police:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Fire:</u>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
<u>Park and Recreation:</u>										
Parks	16	16	16	16	16	16	16	16	16	16
Community Center	1	1	1	1	1	2	2	2	2	2
<u>Public works:</u>										
Streets (miles)	180	180	180	180	180	180	180	180	180	180
Streetlights	5,000	5,000	5,000	5,005	5,005	5,005	5,005	5,005	5,205	5,205
Traffic signals	8,500	8,500	8,500	8,600	8,600	8,600	8,600	8,600	8,650	8,650
<u>Wastewater:</u>										
Sanitary Sewer Lines (miles)	130	130	130	130	130	130	130	130	130	130
Storm Drainage Lines In the City (mi)	175	175	175	175	175	175	175	175	175	175
<u>Golf Course:</u>										
Courses	2	2	2	2	2	2	2	2	2	2

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

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

Fiscal Year Ended	General Bonded Debt Outstanding					Per Capita
	General Obligation Bonds	(A) Redevelopment Bonds	(A) Redevelopment Owners Participation	Total	Percentage of Actual Taxable Value of Property	
2005	36,565,000	25,765,000	3,699,287	66,029,287	0.62%	815.05
2006	35,745,000	25,315,000	5,256,610	66,316,610	0.59%	819.45
2007	34,720,000	24,850,000	4,490,020	64,060,020	0.52%	788.21
2008	33,790,000	24,365,000	3,964,006	62,119,006	0.47%	758.93
2009	32,780,000	51,130,000	3,505,859	87,415,859	0.63%	1,059.95
2010	31,730,000	50,005,000	4,688,993	86,423,993	0.65%	1,038.96
2011	30,645,000	48,695,000	4,436,553	83,776,553	0.64%	979.96
2012	47,820,000	47,320,000	3,693,035	98,833,035	0.75%	1,150.01
2013	45,718,000	45,562,000	2,979,232	94,259,232	0.55%	1,087.61
2014	43,863,000	41,125,000	4,653,037	89,641,037	0.59%	1,005.07

Note: (A) As of February 1, 2012, These are no longer City of San Leandro's debt; these debts have been absorbed by the Successor Agency Private-purpose Trust Fund.

Sources: Taxable value of property provided by the Alameda County Tax Collector. All other information provided by the City of San Leandro.

