



City of San Leandro

Meeting Date: June 18, 2018

Staff Report

File Number: 18-276

Agenda Section: CONSENT CALENDAR

Agenda Number: 8.G.

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for Resolution Approving the Comprehensive Annual Financial Report (CAFR) for the Year Ending June 30, 2017

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council accept the CAFR for fiscal year ended June 30, 2017.

BACKGROUND

The City's independent auditor, Maze & Associates, has completed the audit of the City's financial statements and provided their auditor's reports for the year ended June 30, 2017. The Finance Department prepared the City's financial statements as part of its CAFR for the year ended June 30, 2017. The Government Accounting Standards Board (GASB) recommends the elements for the CAFR format. The CAFR and the related financial statements fully disclose the financial condition of the City, Successor Agency to the Redevelopment Agency, and other reporting units of the City.

Other financial statements for the year ended June 30, 2017 are reviewed and prepared by the City's external auditor:

1. Alameda County Transportation Commission (ACTC) - Measure B Funds
2. Alameda County Transportation Commission (ACTC) - Measure BB Funds
3. Alameda County Vehicle Registration Fee - Measure F Funds
4. Transportation Development Act Article III Fund
5. Appropriations Limit Schedule and Independent Accountant's Report
6. Single Audit of Federal Grant Expenditures in accordance with the U.S. Office of Management and Budget Uniform Guidance

The primary report, the CAFR, contains three sections. The first is the introductory section, which provides general information on the City's structure, personnel, economic condition, and finances.

The financial section includes the independent auditor's report, the general-purpose financial statements and related notes, and supplementary information. Finally, the statistical section includes pertinent financial and non-financial demographic data.

The format of the CAFR is designed to serve the needs of three primary users: the City Council and other governmental oversight bodies, the public, and agencies assessing the City's creditworthiness.

DISCUSSION

The City's independent auditor completed audits of the City's financial statements and the other reports stated earlier. The audits found no exception to conformance with generally accepted accounting standards, the Government Auditing Standards issued by the Comptroller of the United States, or the U.S. Office of Management and Budget Uniform Guidance for state and local governments.

Maze found the general-purpose financial statements present fairly, in all material ways, the City's financial position as of June 30, 2017. The audited financial statements include the statement of net assets; statements of activities and changes in net assets; balance sheets; statements of revenues, expenditures, and changes in fund balances; and statements of cash flows.

The CAFR has been prepared in accordance with generally accepted accounting principles (GAAP). The GASB established this framework for the financial reports of state and local governments. Important financial statement changes highlighted in the CAFR Management Discussion and Analysis include:

- The City's assets exceeded its liabilities by \$206.3 million (net position) at fiscal year ending June 30, 2017, an increase of \$11.4 million from the prior year. Of the net position, \$221.6 million was invested in capital assets, \$31.6 million is restricted for other purposes, and (\$46.9) million is unrestricted. Net Investment in Capital Assets saw a decrease of \$9.4 million while Restricted and Unrestricted fund balance increased by \$8.0 million and \$12.8 million, respectively. Assets and Deferred Outflow of Resources saw an increase of \$34.1 million from the prior fiscal year, offset by an increase in Liabilities and Deferred Inflow of Resources of \$22.7 million.
- The City's governmental fund balance increased by \$11.9 million for a fiscal year ending balance of \$82.6 million. Of the balance, \$12.6 million is nonspendable because the funds are not available or spendable due to advances and loans to other funds. \$32.4 million is Restricted due to the constraints placed on the use of resources. This includes capital projects and debt service payments. \$4.6 million is Assigned, which are General fund encumbrances from the prior year and a reserve to fund anticipated Other Post-Employment Benefit costs resulting from the City's contract for Fire Services with Alameda County. Lastly, \$33.0 million is Unassigned and available for spending in the future.
- The City's business-type activities include the Water Pollution Control Plant, Shoreline, Storm Water Utility, and Environmental Services. The total net position for all four funds

was \$51.7 million at fiscal year ending June 30, 2017, an increase of \$3.2 million from the prior fiscal year.

The City has once again received an unmodified "clean" opinion, which is the highest level of assurance that can be rendered by the auditors. This opinion assures that the City's financial statements are in conformity with accounting principles generally accepted in the United States and has been rendered on all of the City's funds, including the Successor Agency to the Redevelopment Agency of the City of San Leandro.

The City Council should note that the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2016 by the Government Finance Officers Association of the United States and Canada (GFOA). Fiscal Year 2016-17's CAFR has been submitted to GFOA for the award and staff believes it continues to meet the stringent standards of the GFOA Awards program.

Staff recommends that the City Council accept the Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2017.

ATTACHMENT(S)

None

PREPARED BY: David Baum, Finance Director, Finance Department



City of San Leandro

Meeting Date: June 18, 2018

Resolution - Council

File Number: 18-277

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION Approving and Confirming the Comprehensive Annual Financial Report (CAFR) for the Year Ending June 30, 2017, Related to Financial Transactions of the City and Disclosure of Significant Information Regarding the City's Operations, Assets, and Liabilities

The City Council of the City of San Leandro does RESOLVE as follows:

That the Fiscal Year 2016-17 Comprehensive Annual Financial Report for the year ended June 30, 2017 is hereby approved, a copy of which is attached hereto and incorporated herein by reference.

CITY OF SAN LEANDRO

• CALIFORNIA •

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017





CITY OF SAN LEANDRO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

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, 2017

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City of San Leandro

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



April 24, 2018

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, 2017. 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, 2017.

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, 2017 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, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

CITY PROFILE

The City of San Leandro was incorporated in 1872 and is one of the oldest communities in the San Francisco Bay Area. The City occupies fifteen square miles between the cities of Oakland and Hayward and is bordered on the west by the San Francisco Bay. San Leandro offers its approximately 88,300 residents the quiet charm and character of a community that has been established for 145 years. Once an agricultural community, the City has been successful in attracting significant industrial, manufacturing and retail development to the area.

City Structure

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

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

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

Component Units

As of June 30, 2017, there were no discretely reportable component units. The City's blended component units include operations of the San Leandro Parking Authority and the San Leandro Public Financing Authority.

The CAFR for the year ending June 30, 2017 provides a financial account of those activities, organizational elements, and City functions for which the City Council provides policy direction and general oversight. It presents financial information on the activities of the City itself and the component units of the City upon which the City Council is authorized to impose its will. The operating nature of the City's component units determines how they are reported in the financial statements. The activities of component units that provide financial benefit or create financial burden for the City are blended within the City's general financial statements. Component units that have no discernable financial impact upon the City are presented separately.

ECONOMIC CONDITION OF THE CITY

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

The recession resulting from the global financial and credit market meltdown in late 2008 has had a direct and dramatic impact on the City's local revenues. However, current data indicates median home prices are \$610,000, near the median price at the 2006 peak. The unemployment rate is 3%.

The City's General Fund supports many of the City's key services, such as public safety, library and parks and recreation. Revenue to this critical fund, generated largely from sales and property taxes, has grown to higher levels due to voter-approved tax measures in 2014 and 2016. Low mortgage rates have spurred investment in housing. The improving housing market, which represents 63% of the City's tax roll, led to a 4.5% growth in taxable assessed value for Fiscal year 2016-17. However, due to the loss of a large taxpayer (One Source Supply) and an extraordinary sales tax allocation from the State in FY 15-16, sales tax declined 1.4% in the City. With the passage of Measure HH (0.5% sales tax increase) effective April 1, 2015, the half-cent sales tax added \$11 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 2016-17 totaled \$13.1 million, a 5% 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 2016-17 totaled \$2 million, a 17% increase from the prior year.

While the City has implemented considerable expenditure/service reductions to balance its budget, it continues to face increased operating costs. For example, the City's contribution rates for employee pensions continue to rise due to prior portfolio losses and a change in actuarial assumptions by CalPERS, with additional increases projected in future years. The City has offset some of these increases with staff reductions in recent years, and will be working with employee groups over the next couple of years to address this growing cost. Partially mitigating the double digit increases in annual CalPERS funding are extra contributions to the pension from employees, which are up to 10% of salary.

The State of California is forecasting a balanced budget over the next 18 months. The State's savings and borrowings from special funds, property tax shifts, restructuring of the state-local government relationship that shifts funding responsibility to local government for certain services results in a shift of cost being transferred to cities and counties. State lawmakers' dissolution of redevelopment agencies eliminates funding for redeveloping, improving and revitalizing project and blighted areas in the city. Passage of Prop 55 in November 2016 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 staffing peaked in 2008-09 to produce recurring budget savings to address unfunded liabilities. Passage of Measure Z in November 2010, Measure HH in 2014 and Measures OO, PP and NN in 2016 have improved revenues enough to restore selective services, such as the community care initiative and emergency preparedness.

City Council unrestricted reserves total \$33.8 million in the General Fund at June 30, 2017. The restricted reserve balance is \$17.2 million.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In its role of providing policy direction and general oversight, the City Council establishes major goals for City service delivery. These goals are identified and quantified in the City's annual budget. The City can boast of an impressive list of major initiatives and accomplishments during 2016-17 that helped achieve the City's mission of serving the public and enhancing the quality of life in San Leandro. Some of these major initiatives and accomplishments include:

Capital Improvements

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

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

Affordable Housing and Downtown Office Construction The 200-unit mixed use, transit oriented development Marea Alta rental construction on the former BART parking lot site (1400 San Leandro Boulevard) provides affordable rental housing. The project developer is BRIDGE Housing Corporation, a nationally recognized nonprofit affordable housing developer and property manager. Simultaneously, Westlake Development Partners is constructing a multi-phased downtown technology campus on property it owns west of the San Leandro BART Station, which was originally intended for affordable rental housing by BRIDGE Housing. Marea Alta and the San Leandro Tech Campus are now distinct development projects on separate planning and construction schedules. The first fully leased, 132,000 square feet and six level parking garage was opened in November 2016 by Westlake Development Partners and the first 115 units of the Marea Alta project opened in May 2017 and the final 85 units will open in 2018. Similarly, Westlake's second office building is under construction and is expected to provide another 132,000 square feet of office space in the summer of 2018.

COUNCIL FINANCIAL POLICIES

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

The budget guidelines recommend sufficient fund balance to provide for: a) Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy, b) contingencies for unforeseen operating or capital needs and c) cash flow requirements. Further, the guidelines call for such designated fund balances to be at least 16.67% of General Fund operating expenditures (budgeted expenditures for the following year). Consequently, based on the General Fund's budgeted operating expenditures for 2017-18 the guideline requirement is approximately \$19 million.

The 2016-17 financial statements reflect unrestricted reserves that total \$33.8 million. The Unassigned Fund Balance aligns with the Council's fund balance guideline to provide at least 16.7% unrestricted, General Fund reserve, as a percentage of next fiscal year's General fund Operating Budget.

FINANCIAL INFORMATION

City Budget & Budgetary Controls

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

Accounting System

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

Risk Management

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

OTHER INFORMATION

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Leandro for its CAFR for the fiscal year ended June 30, 2016. This was the 21st consecutive year that the City of San Leandro has received this prestigious award. In order to be awarded a Certificate of Achievement, a

government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

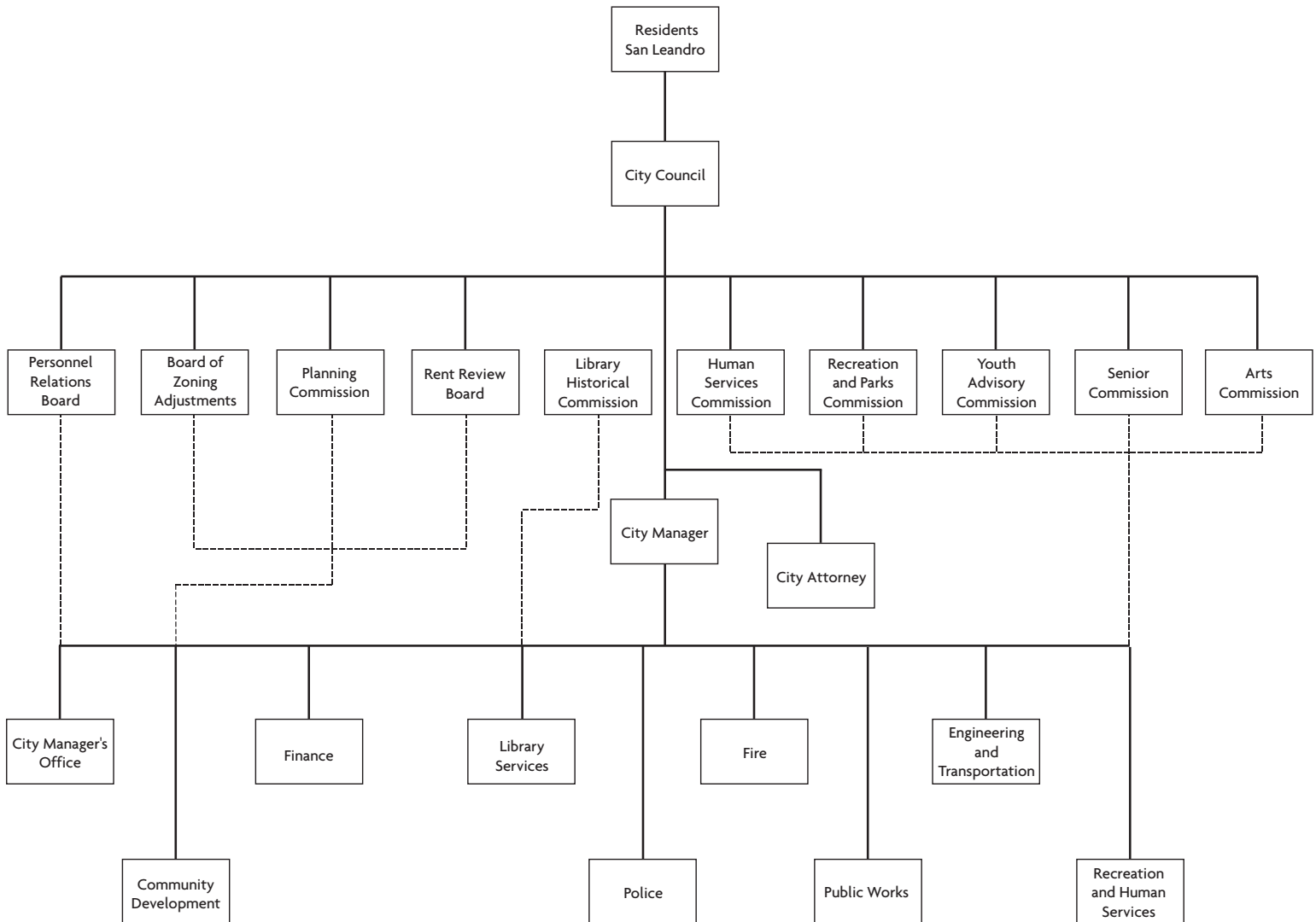
Finally, I want to thank Chris Zapata, City Manager, and the City Council for their continued interest and support in planning and conducting the City's financial operations.

Respectfully submitted,

A handwritten signature in black ink that reads "David Baum". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

David Baum
Finance Director

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



PRINCIPAL OFFICERS
CITY OF SAN LEANDRO
For Fiscal Year Ended June 30, 2017

CITY COUNCIL

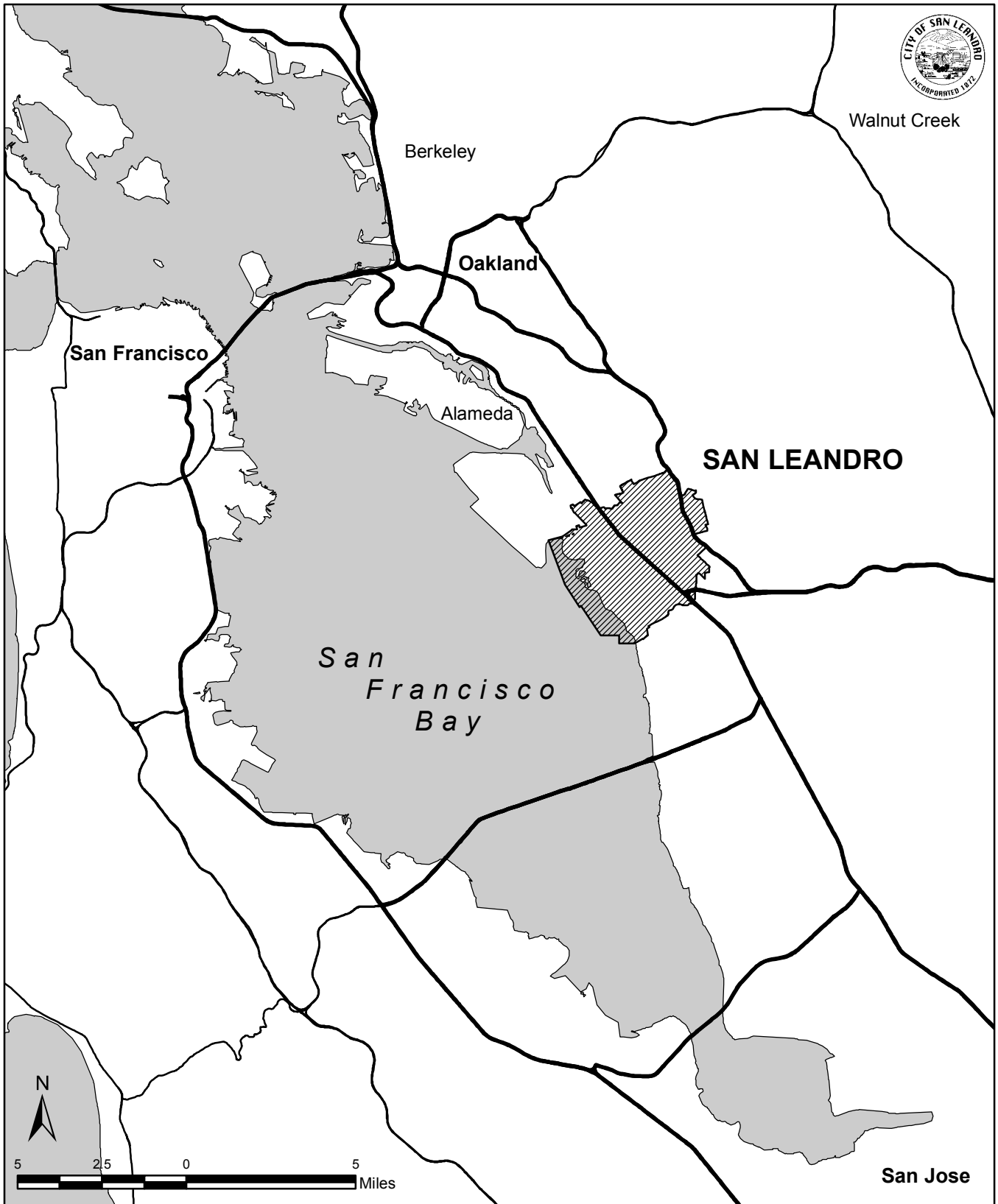
Mayor	Pauline Russo Cutter
Vice Mayor	Lee Thomas
Councilmember	Pete Ballew
Councilmember	Deborah Cox
Councilmember	Ed Hernandez
Councilmember	Benny Lee
Councilmember	Corina N. López

COUNCIL APPOINTEES

City Manager	Chris Zapata
City Attorney	Richard Pio Roda

APPOINTED OFFICIALS

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





Government Finance Officers Association

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

Presented to

**City of San Leandro
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of City Council
City of San Leandro, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Leandro (City), California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, Statement No. 74 – *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* which became effective during the year ended June 30, 2017 and required an adjustment of net position as discussed in Note 1P to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

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

Other Information

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

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 April 24, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
April 24, 2018



CITY OF SAN LEANDRO, CALIFORNIA
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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, 2017. To obtain a complete picture of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

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

- At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$206.3 million (net position), an \$11.4 million increase from the prior year. Of the net position, \$221.6 million was invested in capital assets, \$31.6 million is restricted for other purposes, and (\$46.9) million is unrestricted. Net Investment in Capital Assets saw a decrease of \$9.4 million while Restricted and Unrestricted fund balance increased by \$8 million and \$12.8 million, respectively. Assets and Deferred Outflow of Resources saw an increase of \$34.1 million from the prior fiscal year, offset by an increase in Liabilities and Deferred Inflow of Resources of \$22.7 million.
- As of June 30, 2017, the City's total net position increased by \$11.4 million; representing an \$8.2 million increase in governmental activities and a \$3.2 million increase in Business-Type activities.
- In FY 2016-17, per GASB Statement Number 54, governments are obligated to enhance the financial reporting of the fund balance categories. Fund balances are described and presented in Note 9, which details the classifications of the City's new fund balance categories. The City's governmental fund balance, which include the general, special revenue, debt service, and capital projects funds, increased by \$11.9 million for an ending fund balance of \$82.6 million.
 - a) Approximately 15.3% of the amount (\$12.6 million) is Nonspendable because the funds are not available or spendable due to advances and loans to other funds.
 - b) Approximately 39.2% of the amount (\$32.4 million) is Restricted due to the constraints placed on the use of resources or imposed by law through constitutional provisions or enabling legislation. This includes capital projects and debt service payments.
 - c) Approximately 5.6% of the amount (\$4.6 million) is Assigned which are General fund encumbrances from prior fiscal year and a reserve to fund anticipated Other Post Employment Benefits (OPEB) costs resulting from the City's contract for Fire Services with Alameda County.
 - d) Approximately 39.9% of the amount (\$33.0 million) is Unassigned and available for spending in the future. Unassigned is further categorized by Compensated Absences, Major Emergencies, Economic Uncertainties and offsets from other fund deficits.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

The *Statement of Activities and Changes in Net Position* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes 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 two different types of programs or activities. These two types of activities are:

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

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

Fund Financial Statements

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

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

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

The City has 25 governmental funds, of which three are considered a major fund for presentation purposes. Major funds are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The City’s three major funds are the General Fund, the Capital Improvement Capital Project Fund, and the San Leandro Public Financing Authority Debt Service Fund. Individual fund data for each of the non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of the City’s financial position. In the case of the City, total assets exceeded liabilities by \$206.3 million at the close of fiscal year 2016-17, an increase of 5.8% due to reasons noted earlier.

City of San Leandro
Net Assets at June 30, 2017
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2017	2016	% change	2017	2016	% change	2017	2016	% change
Current Assets	\$ 99,803	\$ 87,614	13.9%	38,217	36,823	3.8%	\$ 138,020	\$ 124,437	10.9%
Non-Current Assets	16,363	10,999	48.8%	(3,351)	(2,875)	16.6%	13,012	8,124	60.2%
Capital Assets	217,635	228,486	-4.7%	73,354	74,614	-1.7%	290,989	303,100	-4.0%
Total assets	333,801	327,099	2.0%	108,220	108,562	-0.3%	442,021	435,661	1.5%
Deferred Outflows of Resources	35,263	9,504	271.0%	2,772	839	230.4%	38,035	10,343	267.7%
Current and other liabilities	16,003	16,448	-2.7%	4,572	4,913	-6.9%	20,575	21,361	-3.7%
Long-term liabilities	192,001	159,790	20.2%	54,562	54,499	0.1%	246,563	214,289	15.1%
Total liabilities	208,004	176,238	18.0%	59,134	59,412	-0.5%	267,138	235,650	13.4%
Deferred Inflows of Resources	6,401	13,901	-54.0%	185	1,504	-87.7%	6,586	15,406	-57.3%
Net assets:									
Invested in capital assets, net of related debt	190,556	200,560	-5.0%	31,056	30,434	2.0%	221,612	230,994	-4.1%
Restricted	31,648	23,680	33.6%	-	-	N/A	31,648	23,680	33.6%
Unrestricted	(67,544)	(77,776)	-13.2%	20,616	18,050	14.2%	(46,928)	(59,726)	-21.4%
Total net position	\$ 154,660	\$ 146,464	5.6%	51,672	48,485	6.6%	\$ 206,332	\$ 194,949	5.8%

The City’s \$221.6 million net investment in capital assets such as infrastructure, land, buildings, machinery, and equipment is by far the largest portion of the City’s net position. Because the City uses these capital assets to provide services to citizens, these assets are not available for future spending. Although the City’s 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.

\$31.6 million of the City’s net position represents resources that are subject to external restriction on how they may be used. The remaining balance of (\$46.9) million represents an unrestricted net position, which may be used to meet the City’s ongoing obligations to citizens and creditors within the restrictions set forth by various funding sources.

Year over year, the City's total net position for both governmental and business-type activities increased by \$11.4 million during the current fiscal year. Information about changes in net position is presented in the summary schedule below:

City of San Leandro
Changes in Net Activities
Year Ended June 30, 2017
(in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
Revenues									
Program revenues:									
Charges for Services	\$ 16,957	\$ 16,552	2.4%	\$ 16,859	\$ 15,991	5.4%	\$ 33,816	\$ 32,543	3.9%
Operating grants and contributions	5,334	5,558	-4.0%	-	-	0.0%	5,334	5,558	-4.0%
Capital grants and contributions	9,457	11,422	-17.2%	243	-	0.0%	9,700	11,422	-15.1%
General revenues:									
Property taxes	20,858	20,044	4.1%	-	-	0.0%	20,858	20,044	4.1%
Sales tax	41,728	42,337	-1.4%	-	-	0.0%	41,728	42,337	-1.4%
Franchise Fee	5,103	4,969	2.7%	-	-	0.0%	5,103	4,969	2.7%
Utility users Tax	10,975	10,808	1.5%	-	-	0.0%	10,975	10,808	1.5%
Property Transfer Tax	5,459	4,461	22.4%	-	-	0.0%	5,459	4,461	22.4%
911 communication	2,890	2,918	-1.0%	-	-	0.0%	2,890	2,918	-1.0%
Access Tax	-	-	-	-	-	-	-	-	-
Other taxes	908	812	11.9%	629	520	20.9%	1,537	1,332	15.4%
Investment Earnings	1,560	1,883	-17.1%	180	426	-57.7%	1,740	2,309	-24.6%
Gain or loss on sale of assets	3	7	-57.1%	-	-	0.0%	3	7	-57.1%
Miscellaneous	1,703	4,225	-59.7%	-	4,234	-100.0%	1,703	8,459	-79.9%
Total Revenues	122,935	125,994	-2.4%	17,911	21,171	-15.4%	140,846	147,165	-4.3%
Expenses									
General Government	8,525	7,923	7.6%	-	-	0.0%	8,525	7,923	7.6%
Public safety	54,510	52,944	3.0%	-	-	0.0%	54,510	52,944	3.0%
Engineering & Transportati	28,124	31,476	-10.7%	-	-	0.0%	28,124	31,476	-10.7%
Recreation and Culture	13,228	13,824	-4.3%	-	-	0.0%	13,228	13,824	-4.3%
Community Development	8,135	6,840	18.9%	-	-	0.0%	8,135	6,840	18.9%
Interest on Long-Term Debt	2,218	1,764	25.7%	-	-	0.0%	2,218	1,764	25.7%
Water Pollution Control	-	-	0.0%	10,796	13,534	-20.2%	10,796	13,534	-20.2%
Shoreline	-	-	0.0%	1,755	1,840	-4.6%	1,755	1,840	-4.6%
Storm Water Utility	-	-	0.0%	1,106	1,212	-8.8%	1,106	1,212	-8.8%
Environmental Services	-	-	0.0%	1,066	1,190	-10.4%	1,066	1,190	-10.4%
Total Expenses	114,740	114,773	0.0%	14,723	17,777	-17.2%	129,463	132,550	-2.3%
Excess(deficiency)of revenues									
over expenses before transfe	8,195	11,221	-27.0%	3,188	3,395	-6.1%	11,383	14,616	-22.1%
Transfer	-	25	100.0%	-	(25)	-100.0%	-	-	0.0%
Increase in net position	8,195	11,246	-27.1%	3,188	3,370	-5.4%	11,383	14,616	-22.1%
Beginning net position	146,464	135,218	8.3%	48,485	45,115	7.5%	194,949	180,333	8.1%
Ending net position	\$ 154,659	\$ 146,464	5.6%	\$ 51,673	\$ 48,485	6.6%	\$ 206,332	\$ 194,949	5.8%

Revenue – Total revenue for fiscal year 2016-17 amounted to \$140.8 million, a \$6.3 million decrease from the prior year. Of this amount, revenue from governmental activities decreased by \$3.0 million dollars or 2.4% while revenue from business-type activities decreased by \$3.3 million or 15.4% from the prior fiscal year.

- Property taxes show an increase of 4.1% or \$814,000 when compared to the 2015-16 fiscal year.
- Sales tax revenue decreased by 1.4% or \$609,000 due to the loss of a large taxpayer and an extraordinary sales tax allocation from the State in fiscal year 2015-16. The City's three largest sales tax producing sectors were General Retail, Business to Business, and Transportation followed by Construction and Food Products. On a more granular level, the City saw significant sales tax revenue growth in department stores, new auto sales, heavy industry, electronic equipment, and wholesale building materials. Service Stations continue to see a decline due to continued decreases in the price of gasoline.
- Property Transfer tax revenue increased by 22% or nearly \$1 million due to the sale of three industrial sites.
- Charges for services in Governmental activities are primarily fees for recreation, building, fire, planning and engineering. Revenue from these charges saw an increase of \$405,000. Business-Type Activities saw an increase of \$868,000, most of which is attributed to the Water Pollution Control Plant and the Shoreline.
- Operating grants, capital grants, and contributions include Federal and State grants and other government and private contributions, including impact fees. Operating grants, capital grants and contributions decreased by \$1.9 million in 2016-17.
- Miscellaneous revenues decreased by \$6.8 million from fiscal year 2015-16. This is mainly due to a one-time \$4.0 settlement agreement payment received by the Water Pollution Control Plant and the re-entering of \$2.3 million loan agreement between the City and the Successor Agency to the Redevelopment Agency.

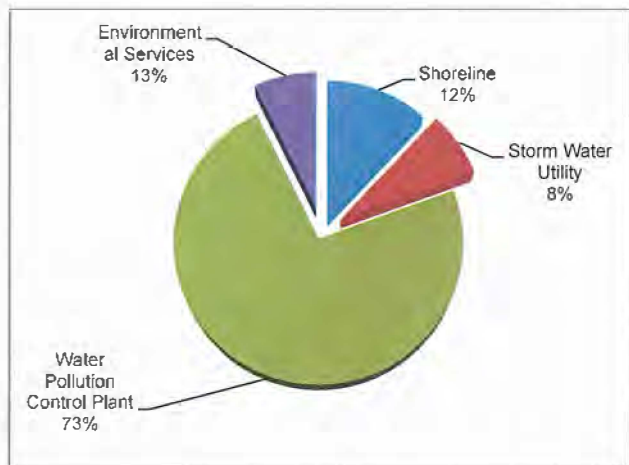
Expenses – Total expenses for both governmental and business type activities decreased by \$3.1 million compared to the prior fiscal year. Program expenses for governmental activities, as a whole, was nearly identical to fiscal year 2015-16. However, program expenses for business type activities decreased \$3.1 million or \$17.2% mainly due to the 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)		
	2017	2016	% Change
General Government	\$ 8,525	\$ 7,923	7.6%
Public safety	54,510	52,944	3.0%
Engineering & Transportation	28,124	31,476	-10.7%
Recreation and Culture	13,228	13,824	-4.3%
Community Development	8,135	6,840	18.9%
Interest on Long-Term Debt	2,218	1,764	25.7%
Governmental Activities	114,740	114,773	0.0%
Water Pollution Control Plant	10,796	13,534	-20.2%
Shoreline	1,755	1,840	-4.6%
Storm Water Utility	1,106	1,212	-8.8%
Environmental Services	1,066	1,190	-10.4%
Business Type Activities	14,723	17,777	-17.2%
Total Expenses	129,463	132,550	-2.3%

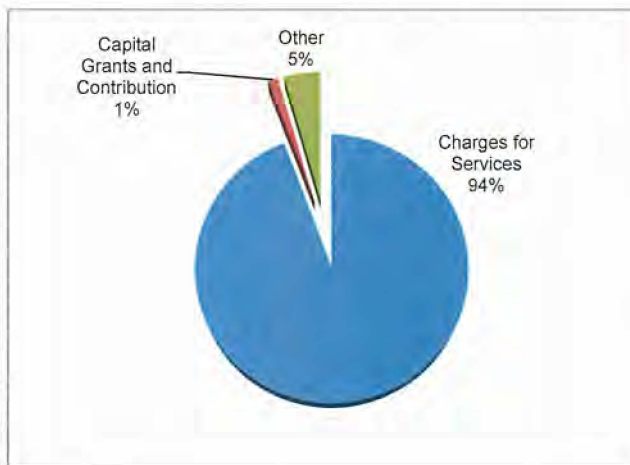
- Within governmental activities, Public Safety saw the largest increase in program expenses at \$1.6 million greater than the prior fiscal year. Community Development followed with a \$1.3 million increase. Conversely, Engineering and Transportation decreased by \$3.4 million.
- Business-Type activities saw decreases in expenses across the board. As stated earlier, the largest decrease was from the Water Pollution Control Plant followed by Environmental Services with a decrease of \$124,000.

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 \$3.2 million from prior fiscal year due to pension activities allocated to the Water Pollution Control Plant. Deferred outflow of resources related to pension, an asset, increased by \$1.9 million. Deferred inflow of resources related to pension, a liability, decreased by \$1.3 million.

Expenses by Function - Business-Type Activities



Revenues by Source – Business-Type Activities



FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

Governmental Funds

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

At the end of fiscal year 2016-17, the City’s governmental funds reported combined ending fund balances of \$82.6 million, an increase of \$11.9 million in comparison with the prior year. Approximately 15.3% or \$12.6 million of the fund balance represents Non-Spendable; 39.2% or \$32.4 million represents Restricted; 5.6% or \$4.6 million represents Assigned; and 39.9% or \$33.0 million is Unassigned and is available for spending at the Council’s discretion.

General Fund

The General Fund, by definition, is a major governmental fund and represents all funds not required to be accounted for in other funds. The General Fund accounted for 86.2% of the total governmental revenues and 72.6% 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 2016-17, the unassigned fund balance of the General Fund was \$33.8 million, while the total fund balance was \$51.0 million. As a measure of the General Fund's liquidity, it may be useful to compare the Unassigned Fund Balance to total of fund expenditures. The Unassigned Fund Balance represents 36.8% of total General Fund expenditures of \$91.8 million (not including Transfers Out). The Unassigned Fund Balance of \$33.8 million has been designated for the following purposes:

- \$572,093 for Compensated Absences
- \$5.0 million for Major Emergencies
- \$2.8 million for Economic Uncertainty
- \$25.4 million for liquidity and other purposes

At the end of fiscal year 2016-17 the General Fund ending balance increased by \$4.0 million compared to prior fiscal year. General fund revenues decreased by \$397,000 primarily due to the revenue recognition of a one-time \$2.3 million loan from the Successor Agency in the prior fiscal year. General Fund expenditures (not including Transfers Out) show an increase of \$3.3 million from prior fiscal year. The increase is large due to public safety (\$2.7 million increase) and engineering and transportation (\$618,000 increase). Transfers Out increased by \$4.5 million from the prior year, which is solely due to an increased contribution to the City's other post-employment benefit (OPEB) plan. The City contributed \$6.2 million into the OPEB plan in fiscal year 2016-17, a \$4.5 million increase from the prior year.

Capital Improvement Capital Projects Fund

The Capital Improvement Capital Projects Fund is also a major governmental fund and accounted for 1.2% of the total governmental revenues and 2.5% of the total expenditures (not including other financing sources such as issuance of debts or interfund transfers). The fund accounts for monies for major capital improvement projects not provided for in the other capital improvement projects funds. At June 30, 2017, the Capital Improvement Capital Projects Fund had a total fund balance of \$16.0 million, an increase of 76.9% from the prior fiscal year due to a number of projects, such as the modification of the South Office and Police Building, which have not been fully completed.

San Leandro Public Financing Authority Debt Service Fund

The San Leandro Public Financing Authority is the third major governmental fund for fiscal year 2016-17. Its revenue of \$2.5 million accounted for 2.1% of all governmental funds. Its expenditures, however, increased by \$14 million from the prior year and accounted for 14.7% of all governmental funds. This is solely due to the City's refunding of its 2007 Certificates of Participation (2007 COPs) which will save the City \$2.1 million over 13 years.

Non-major Governmental Funds - The City's non-major funds are presented in the basic financial statements in the aggregate. At June 30, 2017, non-major funds had a total fund balance of \$14.9 million of which all are legally restricted for specific purposes by external funding. More information about these aggregate non-major funds can be found in the combining statements immediately following the required supplementary information.

Proprietary Funds

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

The total net position of the enterprise funds was \$51.7 million at the end on June 30, 2017, an increase of \$3.2 million from the prior fiscal year. The total net position of the internal service funds was \$9.4 million at the end on June 30, 2017, a decrease of only \$40,000 from the prior fiscal year.

Water Pollution Control Plant Enterprise Fund

The Water Pollution Control Plant Enterprise Fund was established to account for the City's sewers, which protect public health and preserve water quality through collection, treatment, and disposal of wastewater and wastewater solids. As of June 30, 2017, the fund's net position totaled nearly \$50.1 million, an increase of \$2.2 million or 4.6%. This increase is primarily due to pension related activities in which Deferred Outflow of Resources increased by \$1.9 million and Deferred Inflow of Resources decreased by \$1.3 million.

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, 2017, the fund's net position totaled \$97,122. Net position for the prior year was a deficit of \$778,769. This increase of \$876,000 is partially due to an increase in revenue and a decrease in expenditures in comparison to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund ended the fiscal year with actual revenues 5.3% above final budget projections. In total, general fund revenue was \$5.4 million greater than projected, largely due to Property Transfer Tax (\$2.9 million above projections), Building Permits (\$483,000 above projections), and Business License (\$514,000 above projections). Expenditures were 7.1% or \$7.0 million below projections.

CITY OF SAN LEANDRO
Summary Analysis of General Fund Budget, Fiscal Year 2016-17
(in thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Property taxes and other taxes	\$ 79,827	\$ 84,407	\$ 87,817	\$ 3,410
Licenses and permits	6,856	7,272	8,266	994
Fines and forfeitures	1,127	1,127	1,573	446
Services charges	2,866	2,866	3,008	142
Intergovernmental	1,019	854	1,227	373
Use of money and property	1,211	1,229	1,550	321
Interdepartmental charges	2,002	2,002	2,000	(2)
Other	602	836	512	(323)
Total revenues	95,510	100,594	105,953	5,359
EXPENDITURES:				
Current:				
General government	11,783	12,689	11,493	1,196
Public safety	54,553	56,938	54,151	2,788
Engineering and transportation	7,929	8,934	8,543	391
Recreation and culture	9,434	10,473	10,254	219
Community development	5,104	7,018	5,065	1,953
Debt service:				
Principal	1,988	1,988	1,508	480
Interest and fees	813	813	811	2
Total expenditures	91,605	98,853	91,824	7,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,905	1,740	14,128	12,388
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(3,563)	(3,923)	(10,173)	(6,250)
Total other financing sources (uses)	(3,563)	(3,923)	(10,173)	(6,250)
NET CHANGE IN FUND BALANCE	\$ 342	\$ (2,183)	\$ 3,955	\$ 6,138
FUND BALANCES:				
Beginning of year			47,006	
End of year			50,962	

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business type activities as of June 30, 2017 amount to \$291.0 million, net of accumulated depreciation. This represents a decrease of 12.1 million due to an annual depreciation expense of \$18.0 million offset by the capitalization of depreciable assets such as the Siempre Verde Park rehabilitation and Water Pollution Control Plant expansion.

The major capital projects that were capitalized in fiscal year 2016-17 include the expansion of the Water Pollution Control Plant (\$56.3 million), the rehabilitation of the Siempre Verde Park (\$3.0 million) and the replacement of sewer lines (\$1.9 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.

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

City of San Leandro
Capital Assets (net of depreciation)
Year Ended June 30, 2017
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 16,648	\$ 16,648	\$ 5,234	\$ 5,234	\$ 21,882	\$ 21,883
Construction in progress	1,316	-	-	58,263	1,316	58,263
Total non-depreciable assets	17,964	16,648	5,234	63,498	23,198	80,146
Depreciable assets (net of depreciation)						
Buildings	57,716	59,276	59,737	4,716	117,453	63,992
Improvements other than buildings	2,940	1	-	-	2,940	1
Machinery and equipment	1,916	1,952	2,903	2,737	4,819	4,689
Licensed Vehicles	4,524	4,369	36	38	4,560	4,408
Infrastructure	132,575	146,239	5,443	3,625	138,018	149,864
Total depreciable assets	199,671	211,838	68,119	11,117	267,790	222,954
Total capital assets	\$ 217,635	\$ 228,486	\$ 73,353	\$ 74,614	\$ 290,988	\$ 303,101

Additional information on the City's capital assets can be found in Note 5 of the notes to the financial statements.

Debt Administration

At the end of the current fiscal year, the City's total long-term debt outstanding is \$84.7 million, a decrease of \$1.5 million from the prior fiscal year.

At the end of the current fiscal year, the City's total long-term debt outstanding for governmental activities is \$42.4 million, which remain consistent with the prior fiscal year. The result reflects normal debt amortization as well as the refunding of the 2007 COPs as explained earlier and within Note 6 of the notes to the financial statements.

At the end of the current fiscal year, the City's total long-term debt outstanding for business-type activities is \$42.3 million, a decrease of \$1.9 million from the prior fiscal year. The decrease reflects normal debt amortization for the State Water Resources Control Board Loan and Marina Cal Boating Loan.

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

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

City of San Leandro						
Outstanding Debt						
Year Ended June 30, 2017						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 35,041	\$ 22,808	\$ -	\$ -	\$ 35,041	\$ 22,808
Certificates of participation	-	16,735	-	-	-	16,735
Other loans	7,363	2,524	42,298	44,180	49,661	46,704
Total	\$ 42,404	\$ 42,067	\$ 42,298	\$ 44,180	\$ 84,702	\$ 86,247

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 14th Street, San Leandro, CA 94577.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of San Leandro
Statement of Net Position
June 30, 2017

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 76,530,212	\$ 34,076,723	\$ 110,606,935
Cash and investments with fiscal agent (Note 2)	4,557,336	2,138,000	6,695,336
Receivables:			
Property taxes	203,401	-	203,401
Accounts	18,061,903	1,955,761	20,017,664
Interest	101,046	46,658	147,704
Special assessments	93,875	-	93,875
Inventory and prepaid items	255,268	-	255,268
Total current assets	99,803,041	38,217,142	138,020,183
Noncurrent assets:			
Loans receivable (Note 3)	2,587,961	-	2,587,961
Internal balances (Note 4E)	3,350,949	(3,350,949)	-
Loan to Successor Agency (Note 4C)	2,299,315	-	2,299,315
Net OPEB asset (Note 14)	8,124,651	-	8,124,651
Capital assets (Note 5):			
Non-depreciable	17,964,169	5,234,310	23,198,479
Depreciable	494,665,912	80,446,090	575,112,002
Less accumulated depreciation	(294,995,082)	(12,326,706)	(307,321,788)
Capital assets, net	217,634,999	73,353,694	290,988,693
Total noncurrent assets	233,997,875	70,002,745	304,000,620
Total Assets	333,800,916	108,219,887	442,020,803
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 13)	35,262,771	2,772,430	38,035,201
LIABILITIES			
Current liabilities:			
Accounts payable and accruals:	7,851,468	391,271	8,242,739
Interest payable	203,990	51,229	255,219
Unearned revenue (Note 8)	2,571,533	-	2,571,533
Other liabilities	-	2,138,000	2,138,000
Compensated absences - Due within one year (Note 7)	585,223	56,409	641,632
Claims and judgments payable - Due within one year (Note 11)	1,170,645	-	1,170,645
Long- term debt - Due within one year (Note 6)	3,620,305	1,935,488	5,555,793
Total current liabilities	16,003,164	4,572,397	20,575,561
Noncurrent liabilities:			
Deposits	-	59,586	59,586
Compensated absences payable - Due in more than one year (Note 7)	3,242,170	570,364	3,812,534
Claims and judgments payable - Due in more than one year (Note 11)	4,878,424	-	4,878,424
Net pension liability (Note 13)	142,985,256	13,570,230	156,555,486
Long- term debt - Due in more than one year (Note 6)	40,894,560	40,362,093	81,256,653
Total noncurrent liabilities	192,000,410	54,562,273	246,562,683
Total Liabilities	208,003,574	59,134,670	267,138,244
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 13)	6,400,605	185,109	6,585,714
NET POSITION (Note 9)			
Net investment in capital assets	190,556,178	31,056,113	221,612,291
Restricted for:			
Capital projects	16,053,934	-	16,053,934
Debt service	1,060,424	-	1,060,424
Engineering and transportation	9,460,310	-	9,460,310
Recreation and culture	604,475	-	604,475
Community Development	3,706,349	-	3,706,349
Public Safety	762,170	-	762,170
Total restricted	31,647,662	-	31,647,662
Unrestricted	(67,544,332)	20,616,425	(46,927,907)
Total Net Position	\$ 154,659,508	\$ 51,672,538	\$ 206,332,046

See Accompanying Notes to Basic Financial Statements

City of San Leandro
Statement of Activities and Changes in Net Position
For the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental Activities:					
General government	\$ 8,524,377	\$ 7,673,967	\$ -	\$ 876,961	\$ 8,550,928
Public safety	54,510,194	3,652,445	149,499	-	3,801,944
Engineering and transportation	28,124,152	818,575	\$3,234,379	6,719,523	10,772,477
Recreation and culture	13,228,291	1,600,152	602,119	1,860,492	4,062,763
Community development	8,134,895	3,211,851	1,347,958	-	4,559,809
Interest on long-term debt	2,218,025	-	-	-	-
Total Governmental Activities	114,739,934	16,956,990	5,333,955	9,456,976	31,747,921
Business-type activities:					
Water Pollution Control Plant	10,795,950	13,068,979	-	-	13,068,979
Shoreline	1,754,842	1,985,500	-	9,142	1,994,642
Storm Water Utility	1,106,011	1,084,122	-	-	1,084,122
Environmental Services	1,065,885	719,864	-	234,162	954,026
Total business-type Activities	14,722,688	16,858,465	-	243,304	17,101,769
Total primary government	\$ 129,462,622	\$ 33,815,455	\$ 5,333,955	\$ 9,700,280	\$ 48,849,690

General revenues:

Taxes:

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

Total Taxes

Investment earnings
Miscellaneous
Gain on sale of assets

Total general revenues

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
\$ 26,551	\$ -	\$ 26,551
(50,708,250)	-	(50,708,250)
(17,351,675)	-	(17,351,675)
(9,165,528)	-	(9,165,528)
(3,575,086)	-	(3,575,086)
(2,218,025)	-	(2,218,025)
(82,992,013)		(82,992,013)
-	2,273,029	2,273,029
-	239,800	239,800
-	(21,889)	(21,889)
-	(111,859)	(111,859)
-	2,379,081	2,379,081
(82,992,013)	2,379,081	(80,612,932)
20,858,027	-	20,858,027
41,727,835	-	41,727,835
5,102,904	-	5,102,904
10,975,234	-	10,975,234
5,459,316	-	5,459,316
2,890,302	-	2,890,302
907,651	629,411	1,537,062
87,921,269	629,411	88,550,680
1,560,277	179,432	1,739,709
1,702,501	-	1,702,501
3,004	-	3,004
91,187,051	808,843	91,995,894
8,195,038	3,187,924	11,382,962
146,464,470	48,484,614	194,949,084
\$ 154,659,508	\$ 51,672,538	\$ 206,332,046



FUND FINANCIAL STATEMENTS

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



GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

San Leandro Public Financing Authority Debt Service Fund – This fund accounts for the Certificates of Participation issued for the library and fire stations seismic retrofit. These Certificates of Participation were refunded by the issuance of the 2016 Lease Revenue Bonds. The debt will be paid back pursuant to lease agreements between the City of San Leandro and the San Leandro Public Finance Authority.

City of San Leandro
Governmental Funds
Balance Sheet
June 30, 2017

	Major Funds				
	General Fund	Capital Improvement Capital Projects Fund	San Leandro Public Financing Authority Debt Service Fund	Non-Major Governmental Funds	Total
ASSETS					
Cash and investments (Note 2)	\$ 36,342,532	\$ 12,855,590	\$ 744,760	\$ 14,580,199	\$ 64,523,081
Cash and investments with fiscal agent (Note 2)	63	4,546,666	10,607	-	4,557,336
Receivables:					
Property taxes	203,342	59	-	-	203,401
Accounts	13,088,457	-	-	1,515,919	14,604,376
Federal, State, and local grants	17,442	-	-	3,141,257	3,158,699
Interest	62,741	-	-	20,753	83,494
Special Assessment	58,363	-	-	35,512	93,875
Loans (Note 3)	2,146,919	-	-	441,042	2,587,961
Due from other funds (Note 4A)	917,277	-	-	-	917,277
Advances to other funds (Note 4B)	8,106,392	-	-	-	8,106,392
Loan to Successor Agency (Note 4C)	2,299,315	-	-	-	2,299,315
Total Assets	\$ 63,242,843	\$ 17,402,315	\$ 755,367	\$ 19,734,682	\$ 101,135,207
LIABILITIES					
Liabilities:					
Accounts payable and accruals	\$ 5,953,974	\$ 362,529	\$ -	\$ 1,124,230	\$ 7,440,733
Due to other funds (Note 4A)	-	-	-	917,277	917,277
Advances from other funds (Note 4B)	3,755,443	1,000,000	-	-	4,755,443
Unearned revenue	2,571,533	-	-	-	2,571,533
Total Liabilities	12,280,950	1,362,529	-	2,041,507	15,684,986
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - grants receivable	-	-	-	2,840,666	2,840,666
Total Deferred Inflow of Resources	-	-	-	2,840,666	2,840,666
Fund Balances: (Note 9)					
Nonspendable	12,552,626	-	-	-	12,552,626
Restricted	50,000	16,039,786	755,367	15,569,623	32,414,776
Assigned	4,577,831	-	-	-	4,577,831
Unassigned	33,781,436	-	-	(717,114)	33,064,322
Total Fund Balances (Deficit)	50,961,893	16,039,786	755,367	14,852,509	82,609,555
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 63,242,843	\$ 17,402,315	\$ 755,367	\$ 19,734,682	\$ 101,135,207

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, 2017

Total fund balances reported on the governmental funds balance sheet **\$ 82,609,555**

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. 213,943,833

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to
charge the costs of certain activities, such as insurance and central services and maintenance
to individual governmental funds. The net current assets of the Internal Service Funds are therefore
included in Governmental Statement of Activities. 9,423,898

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 assets	8,124,651
Net pension liability, related deferred outflows and inflows of resources	(114,123,090)
Long-term debt	(44,274,512)
Interest payable	(203,990)
Compensated absences	(3,681,503)
Recognition of grants receivable	2,840,666
	2,840,666

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 154,659,508

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, 2017

	General	Major Fund Capital Improvement Capital Projects Fund	San Leandro Public Financing Authority Debt Service Fund	Non-Major Governmental Funds	Total
REVENUES					
Property and other taxes	\$ 87,817,103	\$ -	\$ -	\$ 574,263	\$ 88,391,366
Licenses and permits	8,266,271	-	-	1,081,924	9,348,195
Fines and forfeitures	1,572,898	-	-	-	1,572,898
Service charges	3,007,941	114,592	-	421,034	3,543,567
Intergovernmental	1,226,779	-	-	9,851,887	11,078,666
Use of money and property	1,549,605	41	2,494,683	73,661	4,117,990
Interdepartmental charges	1,999,878	-	-	-	1,999,878
Other	512,461	1,329,447	-	1,040,504	2,882,412
Total Revenues	105,952,936	1,444,080	2,494,683	13,043,273	122,934,972
EXPENDITURES					
Current:					
General Government	11,493,208	-	-	-	11,493,208
Public safety	54,150,539	-	-	581,628	54,732,167
Engineering and transportation	8,542,894	2,995,340	-	7,949,763	19,487,997
Recreation and culture	10,254,005	-	-	1,591,981	11,845,986
Community development	5,064,630	204,430	-	2,431,098	7,700,158
Debt service:					
Principal	1,507,762	-	17,322,000	131,000	18,960,762
Interest and fees	811,451	-	1,314,073	70,633	2,196,157
Total Expenditures	91,824,489	3,199,770	18,636,073	12,756,103	126,416,435
REVENUES OVER (UNDER) EXPENDITURES	14,128,447	(1,755,690)	(16,141,390)	287,170	(3,481,463)
OTHER FINANCING SOURCES (USES)					
Issuance of debt (Note 6A)	-	5,409,045	14,125,000	-	19,534,045
Premium on issuance of debt (Note 6A)	-	-	2,130,092	-	2,130,092
Transfers in (Note 4D)	-	3,600,000	-	593,000	4,193,000
Transfers (out) (Note 4D)	(10,173,000)	(280,000)	-	-	(10,453,000)
Total Other Financing Sources (Uses)	(10,173,000)	8,729,045	16,255,092	593,000	15,404,137
NET CHANGE IN FUND BALANCES	3,955,447	6,973,355	113,702	880,170	11,922,674
FUND BALANCES					
Beginning of year	47,006,446	9,066,431	641,665	13,972,339	70,686,881
End of year	\$ 50,961,893	\$ 16,039,786	\$ 755,367	\$ 14,852,509	\$ 82,609,555

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, 2017

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 11,922,674

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	4,852,288
Loss on disposal of capital assets is deducted from fund balance	(31,768)
Depreciation expense is deducted from the fund balance. The amount excludes the depreciation of \$791,321, which is reported in the Internal Service Funds.	(15,912,627)

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	(30,887)
Long-term debt	18,960,762
Bond discount	(39,546)
Bond premium	183,741
Interest payable	24,120
Compensated absences	(352,166)
Net pension liabilities, related deferred outflows and inflows of resources	3,433,409
Net OPEB assets	6,890,813
Long-term debt issuance	(21,664,137)

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	(41,638)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 8,195,038
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See Accompanying Notes to Basic Financial Statements



PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

City of San Leandro
Statement of Net Position
Proprietary Funds
June 30, 2017

	Major Enterprise Funds		Non- Major Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline			
ASSETS					
Current Assets:					
Cash and investments (Note 2)	\$ 30,070,500	\$ 2,399,592	\$ 1,606,631	\$ 34,076,723	\$ 12,007,131
Cash with fiscal agent (Note 2)	2,138,000	-	-	2,138,000	-
Receivables:					
Accounts	1,528,495	355,747	71,519	1,955,761	298,828
Interest	41,597	3,234	1,827	46,658	17,552
Inventory	-	-	-	-	255,268
Total current assets	33,778,592	2,758,573	1,679,977	38,217,142	12,578,779
Noncurrent assets:					
Advance to other fund (Note 4B)	3,755,443	-	-	3,755,443	-
Capital assets (Note 5)					
Non-Depreciable	1,656,500	3,577,810	-	5,234,310	-
Depreciable	74,647,375	5,778,252	20,463	80,446,090	15,239,415
Less accumulated depreciation	(8,894,916)	(3,431,225)	(565)	(12,326,706)	(11,548,249)
Total capital assets, net	67,408,959	5,924,837	19,898	73,353,694	3,691,166
Total noncurrent assets	71,164,402	5,924,837	19,898	77,109,137	3,691,166
Total Assets	104,942,994	8,683,410	1,699,875	115,326,279	16,269,945
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 13)	2,772,430	-	-	2,772,430	-
LIABILITIES					
Current Liabilities:					
Accounts payable	311,337	23,664	56,270	391,271	410,735
Interest payable	-	51,229	-	51,229	-
Other liabilities	2,138,000	-	-	2,138,000	-
Clams and judgments - due in 1 year (Note 11)	-	-	-	-	1,170,645
Compensated absences - due in 1 year (Note 7)	34,409	9,765	12,235	56,409	13,130
Notes payable - due in 1 year (Note 6)	1,698,365	237,123	-	1,935,488	-
Long-term debt - Due within one year (Note 6)	-	-	-	-	240,353
Total current liabilities	4,182,111	321,781	68,505	4,572,397	1,834,863
Non-current Liabilities:					
Deposits payable	3,000	56,586	-	59,586	-
Advances from other funds (Note 4B)	-	7,106,392	-	7,106,392	-
Claims and judgments - due in more than 1 year (Note 11)	-	-	-	-	4,878,424
Compensated absences - due in more than 1 year (Note 7)	347,918	98,740	123,706	570,364	132,760
Net pension liability (Note 13)	13,570,230	-	-	13,570,230	-
Notes payable - due in more than 1 year (Note 6)	39,359,304	1,002,789	-	40,362,093	-
Total noncurrent liabilities	53,280,452	8,264,507	123,706	61,668,665	5,011,184
Total liabilities	57,462,563	8,586,288	192,211	66,241,062	6,846,047
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 13)	185,109	-	-	185,109	-
NET POSITION (Note 9)					
Net investment in capital asset	26,351,290	4,684,925	19,898	31,056,113	3,450,813
Unrestricted	23,716,462	(4,587,803)	1,487,766	20,616,425	5,973,085
Total Net Position (deficit)	\$ 50,067,752	\$ 97,122	\$ 1,507,664	\$ 51,672,538	\$ 9,423,898

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, 2017

	Major Enterprise Funds		Non- Major Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline			
OPERATING REVENUES:					
Charges for services	\$ 11,907,467	\$ 431,799	\$ 1,434,837	\$ 13,774,103	\$ 12,855,273
Licenses and permits	370,885	35,581	340,408	746,874	-
Rents and concessions	-	1,517,836	-	1,517,836	-
Other operating revenues	790,627	284	28,741	819,652	252,556
Total Operating Revenues	13,068,979	1,985,500	1,803,986	16,858,465	13,107,829
OPERATING EXPENSES:					
Salaries and benefits	3,761,745	628,995	1,287,760	5,678,500	3,435,260
Contractual and other services	2,436,310	248,011	380,755	3,065,076	12,917,993
Materials and supplies	394,483	21,915	36,741	453,139	606,744
Depreciation	1,491,660	113,889	565	1,606,114	791,321
Other operating costs	1,601,214	318,287	466,075	2,385,576	1,603,025
Total Operating Expenses	9,685,412	1,331,097	2,171,896	13,188,405	19,354,343
OPERATING INCOME (LOSS)	3,383,567	654,403	(367,910)	3,670,060	(6,246,514)
NONOPERATING REVENUES (EXPENSES):					
Property and other taxes	-	629,411	-	629,411	-
Intergovernmental	-	9,142	234,162	243,304	-
Investment income	174,793	6,680	(2,041)	179,432	(45,988)
Interest expense	(1,110,538)	(423,745)	-	(1,534,283)	(9,136)
Total Nonoperating Revenues (Expenses)	(935,745)	221,488	232,121	(482,136)	(55,124)
INCOME BEFORE TRANSFERS	2,447,822	875,891	(135,789)	3,187,924	(6,301,638)
TRANSFERS:					
Transfers in (Note 4D)	-	-	265,564	265,564	6,260,000
Transfers out (Note 4D)	(265,564)	-	-	(265,564)	-
Total operating transfers	(265,564)	-	265,564	-	6,260,000
Change in net position	2,182,258	875,891	129,775	3,187,924	(41,638)
NET POSITION (DEFICIT):					
Net Position-Beginning of year	47,885,494	(778,769)	1,377,889	48,484,614	9,465,536
Net Position-Ending of year	<u>\$ 50,067,752</u>	<u>\$ 97,122</u>	<u>\$ 1,507,664</u>	<u>\$ 51,672,538</u>	<u>\$ 9,423,898</u>

See Accompanying Notes to Basic Financial Statements

City of San Leandro
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2017

	Major Enterprise Funds		Non- Major Enterprise Funds	Total	Governmental Activities- Internal Service Funds
	Water Pollution Control Plant	Shoreline			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 12,298,618	\$ 2,022,033	\$ 1,821,863	\$ 16,142,514	\$ 258,775
Receipts from interfund charges	-	-	-	-	12,815,273
Cash payments to suppliers and service providers	(5,723,223)	(918,353)	(886,483)	(7,528,059)	(15,390,246)
Cash payments to employees for services	(3,737,666)	(596,076)	(1,357,832)	(5,691,574)	(3,492,971)
Net cash provided (used) by operating activities	2,837,729	507,604	(422,452)	2,922,881	(5,809,169)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Property and other taxes received	-	629,411	-	629,411	-
Intergovernmental revenue received	-	-	234,162	234,162	-
Interfund loan	475,835	9,142	-	484,977	-
Transfers in from other funds	-	-	265,564	265,564	6,260,000
Transfer out to other funds	(265,564)	-	-	(265,564)	-
Net cash provided (used) by noncapital financing activities	210,271	638,553	499,726	1,348,550	6,260,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on capital debt	(1,655,327)	(226,911)	-	(1,882,238)	(235,829)
Acquisition of capital assets	(325,082)	-	(20,463)	(345,545)	(1,032,167)
Interest payments on bonds and notes payable	(1,110,538)	(433,105)	-	(1,543,643)	-
Net cash provided (used) by capital and related financing activities	(3,090,947)	(660,016)	(20,463)	(3,771,426)	(1,267,996)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income (expense)	168,149	4,744	719	173,612	(52,158)
Net cash provided (used) by investing activities	168,149	4,744	719	173,612	(52,158)
Net increase (decrease) in cash and cash equivalents	125,202	490,885	57,530	673,617	(869,323)
CASH AND CASH EQUIVALENTS:					
Cash and investments at beginning of year	32,083,298	1,908,707	1,549,101	35,541,106	12,876,454
Cash and investments at end of year	\$ 32,208,500	\$ 2,399,592	\$ 1,606,631	\$ 36,214,723	\$ 12,007,131
RECONCILIATION OF OPERATING INCOME/ (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 3,383,567	\$ 654,403	\$ (367,910)	\$ 3,670,060	\$ (6,246,514)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,491,660	113,889	565	1,606,114	791,321
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(770,361)	(255,306)	17,877	(1,007,790)	6,219
(Increase) decrease in inventories	-	-	-	-	(116,652)
(Increase) decrease in other assets	-	293,009	-	293,009	-
(Decrease) increase in accounts payable	(50,202)	(330,140)	(2,912)	(383,254)	(138,117)
(Decrease) increase in deposits payable	-	(1,170)	-	(1,170)	-
(Decrease) increase claims and judgments payable	-	-	-	-	(47,715)
(Decrease) increase in compensated absences	24,079	32,919	(70,072)	(13,074)	(57,711)
(Decrease) increase in deferred outflow	(1,933,553)	-	-	(1,933,553)	-
(Decrease) increase in deferred inflow	(1,319,364)	-	-	(1,319,364)	-
(Decrease) increase in net pension liability	2,011,903	-	-	2,011,903	-
Total adjustments	(545,838)	(146,799)	(54,542)	(747,179)	(948,520)
Net cash provided (used) by operating activities	\$ 2,837,729	\$ 507,604	\$ (422,452)	\$ 2,922,881	\$ (5,809,169)

See Accompanying Notes to Basic Financial Statements

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

City of San Leandro
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Agency Funds	Private-Purpose Trust Fund	OPEB Trust Fund
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 2,900,679	\$ 7,472,963	\$ 13,665,308
Cash and investments with fiscal agents (Note 2)	449,160	1,877,544	-
Accounts receivable	9,083	7,897	-
Interest receivable	522	13,414	-
Total Current Assets	<u>3,359,444</u>	<u>9,371,818</u>	<u>13,665,308</u>
Noncurrent assets:			
Capital assets (Note 16C):			
Land	-	1,203,435	-
Depreciable assets, net	-	526,440	-
Total non-current assets	<u>-</u>	<u>1,729,875</u>	<u>-</u>
Total assets	<u><u>\$ 3,359,444</u></u>	<u><u>\$ 11,101,693</u></u>	<u><u>\$ 13,665,308</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 120,248	\$ 1,372	\$ -
Deposits payable	1,765,001	-	-
Interest payable	-	593,819	-
Long-term debt - due in less than one year (Note 16D)	-	2,535,927	-
Due to bondholders	1,474,195	-	-
Total current liabilities	<u><u>\$ 3,359,444</u></u>	<u><u>3,131,118</u></u>	<u><u>-</u></u>
Noncurrent Liabilities:			
Loan from the City (Note 16B)		2,299,315	-
Long-term debt - due in more than one year (Note 16D)		38,693,135	-
Total non current liabilities		<u>40,992,450</u>	<u>-</u>
Total liabilities		<u><u>44,123,568</u></u>	<u><u>-</u></u>
NET POSITION			
Held in trust for private purposes		<u><u>\$ (33,021,875)</u></u>	<u><u>\$ 13,665,308</u></u>

See Accompanying Notes to Basic Financial Statements

City of San Leandro
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2017

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	OPEB Trust Fund
Additions:		
Property taxes	\$ 7,885,785	\$ -
Use of money and property	32,586	-
Investment income:		
Investment earnings	-	640,483
Contributions to OPEB Trust-Employer	-	6,950,000
Total additions	7,918,371	7,590,483
Deductions:		
Community development	1,546,725	-
Depreciation	16,563	-
Interest and Fees	1,769,753	40,605
Total deductions	3,333,041	40,605
Change in net position	4,585,330	7,549,878
NET POSITION HELD IN TRUST		
Net position - beginning as adjusted (Note 1P)	(37,607,205)	6,115,430
Net position - end	\$ (33,021,875)	\$ 13,665,308

See Accompanying Notes to Basic Financial Statements



City of San Leandro
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For the year ended June 30, 2017

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City of San Leandro
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CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

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, 2017

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.

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

San Leandro Public Financing Authority Debt Service Fund accounts for Certificates of Participation issued in 2007 for the San Leandro Libraries and San Leandro Fire Stations. In fiscal year 2016-2017, the City refunded these Certificates of Participation and issued the 2016 Lease Revenue Bonds.

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

The City also reports the following major proprietary funds:

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

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

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

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

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, an OPEB Trust Fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's *Fiduciary Funds* includes the Deposits Fund which accounts for all deposits held on behalf of other persons and businesses and the Cherrywood Fund accounts for monies accumulated for payments of special assessment bonds.

D. Recognition of Interest Liability

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

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

E. Use of Restricted and Unrestricted Net Position

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

F. Cash, Cash Equivalents and Investments

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

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

In accordance with GASB Statement No. 31, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory

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

H. Capital Assets

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

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

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, 2017

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

L. Deferred Inflows/Outflows of Resources

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

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

M. Use of Estimates

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fair Value Measurements

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

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

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

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

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

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

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements which became effective during the year ended June 30, 2017.

Governmental Accounting Standards Board (GASB) Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68*. This Statement establishes requirements for defined benefit pension that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The statement is effective for the fiscal year 2016-17 and had no impact on the City's financial statements.

(GASB) Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The provisions in statement 74 are effective for fiscal years beginning after June 15, 2016. As discussed in Note 1P to the financial statements, the City implemented this statement in fiscal year 2016-17.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is effective for reporting periods beginning after December 15, 2015 and had an impact on the Notes to the Financial Statements as discussed in Note 12.

GASB Statement No. 78 – In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to State or local governmental employers who employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This Statement had no impact on the City's financial statements.

GASB Statement No. 80 – In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Unit—an amendment to GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of GASB Statement No. 14, *The Financial Reporting Entity*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment to GASB Statement No. 14*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 and had no impact on the City's financial statements.

GASB Statement No. 82 – In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27*, and GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This Statement had an impact on the Required Supplemental Information.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. New Fund and Adjustment of Beginning Net Position

During the current fiscal year, the City added a new fiduciary fund, Other Post-Employment Benefits (OPEB) Trust Fund, as part of the implementation of GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. As a result, the City increased the beginning net position of that fund by \$6,115,430 on July 1, 2016.

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 \$10,384,560 at June 30, 2017. Bank balances before reconciling items were \$11,020,475, 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, 2017

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, 2017, are classified as follows:

Statement of net position:	
Cash and Investments	\$ 110,606,935
Cash and Investments held by trustee	6,695,336
Fiduciary Funds:	
Cash and Investments	24,038,950
Cash with fiscal agents	<u>2,326,704</u>
Total cash and investments	<u><u>\$ 143,667,925</u></u>
Cash and investments as of June 30, 2017, are classified as follows:	
Deposits with financial institutions	\$ 10,384,560
Investments	<u>133,283,365</u>
Total cash and investments	<u><u>\$ 143,667,925</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.

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	\$ 17,670,463	\$ 6,582,943	\$ 6,089,142	\$ 4,998,378
Money Market Fund	13,689,976	13,689,976		
U.S. Treasury Notes	13,423,455	5,309,812	5,014,187	3,099,456
Local Agency Investment Fund (LAIF)	65,782,953	65,782,953		
Medium-Term Notes	10,401,487	4,851,627	2,313,169	3,236,691
Supranationals	3,292,991		905,256	2,387,735
Held by fiscal agent:				
U.S. Treasury Money Market Funds	<u>9,022,040</u>	<u>9,022,040</u>		
Total	<u><u>\$ 133,283,365</u></u>	<u><u>\$ 105,239,351</u></u>	<u><u>\$ 14,321,754</u></u>	<u><u>\$ 13,722,260</u></u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

Investment Type	Maximum Maturity	Maximum Percentage of *Portfolio
U.S. Treasury Obligations	5 years	None
U.S. Agency Securities	5 years	None
Bankers Acceptances	180 days	40%
Commercial Paper	270 days	25%
Negotiable Certificate of Deposit	5 years	30%
Repurchase Agreements	1 year	20%
Reverse Repurchase Agreements	92 days	20%
Medium - Term Notes	5 years	30%
Mutual Funds	N/A	20%
Money Market Mutual Funds	N/A	20%
Local Agency Investment Fund (LAIF)	N/A	\$65 million per account
Passbook Accounts	5 years	None
City Issued Securities	N/A	None
Supranational Securities	5 years	30%
Asset Backed Securities	5 years	20%
Mortgage Backed/Pass-Through Securities	5 years	20%
Collateralized Mortgage Obligations	5 years	20%
Other investment pools	N/A	None

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

Investments in Local Agency Investment Fund

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

The fair value is calculated by multiplying the account balance with LAIF times a fair value factor of 0.998940671 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, 2017, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend on one or more indices and/or that have embedded forwards or options.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

- Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

Concentration of Credit Risk

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

US Government Agency Securities	Amount Invested	Percentage of Investments
Federal agency securities:		
Federal Home Loan Bank (FHLB)	\$ 6,450,928	5.50%
Total	\$ 6,450,928	5.50%

Disclosures Relating to Credit Risk

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

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

Investment Type	Fair Value	Legal Rating	Exempt From Disclosure	Not Rated	AAA	AA+
Federal Agency Securities	\$ 17,670,463	N/A	\$ -	\$ -	\$ -	\$ 17,670,463
Money Market Fund	13,689,976	N/A			13,689,976	
U.S. Treasury Notes	13,423,455	N/A	13,423,455			
Local Agency Investment Fund	65,782,953	N/A		65,782,953		
Medium-Term Notes	10,401,487	A			652,340	956,468
Supranationals	3,292,991	AA			3,292,991	
Held by fiscal agent:						
U.S. Treasury Money Market Funds	9,022,040	A			9,022,040	
Total	<u>\$ 133,283,365</u>		<u>\$ 13,423,455</u>	<u>\$ 65,782,953</u>	<u>\$ 26,657,347</u>	<u>\$ 18,626,931</u>
		AA	AA-	A+	A	A-
Medium-Term Notes		<u>\$ 529,032</u>	<u>\$ 2,575,056</u>	<u>\$ 1,009,250</u>	<u>\$ 4,204,004</u>	<u>\$ 475,337</u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value Hierarchy

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

	Level 1	Level 2	Total
Investments By Fair Value Level:			
Federal Agency Securities	\$ -	\$ 17,670,463	\$ 17,670,463
U.S. Treasury Notes	13,423,455		13,423,455
Medium-Term Notes		10,401,487	10,401,487
Supranationals		3,292,991	3,292,991
Total Investments	<u>\$ 13,423,455</u>	<u>\$ 31,364,941</u>	44,788,396
Investments Exempt from Fair Value Hierarchy:			
Local Agency Investment Fund (LAIF)			65,782,953
Investments Measured at Amortized Cost:			
Held by fiscal agent:			
U.S. Treasury Money Market Funds			9,022,040
Money Market Fund			<u>13,689,976</u>
Total			<u>\$ 133,283,365</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy, valued at \$13.4 million are valued using quoted prices in active markets. Federal agency securities totaling \$17.7 million, medium term notes totaling \$10.4 million and supranationals totaling \$3.3 million, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The California Local Agency Investment Fund (LAIF) is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as fair value divided by the amortization cost of the investment pool and is exempt from the Fair Value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 3 – LOANS RECEIVABLE

At June 30, 2017, the City had loans receivable in the following funds:

Governmental Funds:	
General Fund	\$ 2,146,919
Non Major Special Revenue Funds:	
Affordable Housing Asset Special Revenue Fund	7,707,120
Community Development Block Grant (CDBG)	646,581
HOME Fund	3,335,000
Housing In-Lieu	637,000
Less allowance for uncollectible loans	<u>(11,884,659)</u>
Total net loans receivable	<u><u>\$ 2,587,961</u></u>

At June 30, 2017, the City was owed, in the General Fund, \$940,074 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, 2017, the City was owed, in the General Fund, \$909,322 for a loan made by the City to Alameda County Industries Inc. (ACI). The loan is to refurbish ACI's Materials Recovery Facility in order to expand operations to take in more solid waste, recyclable, and green waste tonnage. The loan is evidenced by a promissory note with a term of 10 years and is to be repaid in full on July 1, 2025. The interest rate is 2.5% per annum.

At June 30, 2017, the City was owed, in the General Fund, \$12,523 for loans made by the City to employees as part of the Employee Computer Purchase Loan Program. The loans are to assist regular full-time employees after completion of the one-year probationary period, "permanent" part-time employees as defined in the relevant MOU and City Council Members with the purchase of a home computer or laptop. The loans range from \$500 to \$3,000, are repaid over a 1 or 2 year period, and are interest free. Payments on the loans are handled as standard payroll deduction.

At June 30, 2017, the City was owed, in the General Fund, \$285,000 for a loan made by the City to San Leandro Improvement Agency. The loan is to fund Downtown San Leandro capital improvements. The loan is evidenced by a promissory note with a term of 10 years. The interest rate is 3% per annum.

At the beginning of June 30, 2016, the City was owed, in the General Fund, \$1,500,000 for a loan made by the City to Davis Street Community Center Incorporated. The loan is to assist in the opening of a community health clinic. The loan is evidenced by a promissory note with a term of 2 years and an interest rate of 4.5% per annum. As of June 30, 2017, the City was repaid in full.

During fiscal year 2017, the City was owed, in its Low/Moderate Asset Housing Fund, \$7,707,120 which includes (1) loans made to the City property owners who meet the HUD requirements for financial assistance for property improvements and first time home buyer loans; (2) a loan made to Ruth Rogers and Sara Bagwell; (3) a loan made to Eden Housing, Inc.; (4) a loan made to San Leandro Senior Housing; (5) a loan made to Citizens' Housing Corporation for property improvements; and (6) a loan made to Mercy Housing for the construction of the Casa Verde. The total loan receivable amount was reduced by an allowance for uncollectible loans in the amount of \$7,266,078 leaving a balance of \$441,042 as of June 30, 2017.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 3 – LOANS RECEIVABLE (Continued)

At June 30, 2017, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$646,581 for various housing assistance loans made by the City. The terms of repayment vary. All of the loans receivable was reduced by allowance for uncollectible loans.

At June 30, 2017, the City was owed, in its HOME Special Revenue Fund, \$3,335,000 which includes (1) two housing assistance loans made by the City to Citizens' Housing Corporation; (2) a loan made to Estabrook Senior Housing for construction of senior housing facility; (3) a loan made to Hello Housing for the rehabilitation of a single family home; (4) a housing assistance loan made to Allied Housing. The terms of repayment vary. All of the loans receivable were reduced by allowance for uncollectible loans.

At June 30, 2017, the City was owed, in its Housing In-Lieu Special Revenue Fund, \$637,000 for a housing assistance loan made by the City to the Estabrook Senior Housing for low-moderate housing construction. The terms of repayment vary. The entire loan receivable was reduced by allowance for uncollectible loans.

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

At June 30, 2017, 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	\$ 917,277

The City has recorded due to/due from all funds requiring cash at the end of June 30, 2017 to the funds that had deficit year-end balances which will be repaid back to the General Fund during the 2017-18 fiscal year.

B. Long-Term Advances

Long-term advances to be repaid out of future earnings or charges at June 30, 2017, consisted of:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Capital Projects Fund	\$ 1,000,000
	Shoreline Enterprise Fund	7,106,392
		8,106,392
Water Pollution Control Plant Enterprise Fund	General Fund	3,755,443
	Total	\$ 11,861,835

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. As of June 30, 2017 the outstanding amount is \$1,000,000.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

The City Council authorized General Fund loans to the Shoreline Enterprise Fund for capital improvements at the Marina and Golf Course. The loans are to be paid over 30 years with an annual interest accrual rate of 5%. Principal payments are made annually provided the fund has sufficient resources. The balance as of June 30, 2017, 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 to the General Fund from the Water Pollution Control Plant for the partial payment of the Public Safety Side Fund Obligation. The \$6,000,000 loan was to pay-down the CalPERS Public Safety Side Fund with a long term adjustable rate of 4% or less annually for 13 years. As of June 30, 2017 the outstanding amount is \$3,755,443.

C. Loan to Successor Agency

The City Council authorized various loans to the Private Purpose Trust Fund from the General Fund for operating and capital improvement purposes. The balance as of June 30, 2017, was \$2,299,315.

D. Transfers

Transfers during the fiscal year ended June 30, 2017, comprised the following:

Transfers In	Transfers Out:			
	General Fund	Capital Improvement Capital Projects Fund	Water Pollution Control Plan Enterprise Fund	Total
Capital Improvement Capital Projects Fund	\$ 3,600,000	\$ -	\$ -	\$ 3,600,000
Non-major Governmental Funds	313,000	280,000		593,000
Non-major Enterprise Funds			265,564	265,564
Internal Service Funds	6,260,000			6,260,000
Total	<u>\$ 10,173,000</u>	<u>\$ 280,000</u>	<u>\$ 265,564</u>	<u>\$ 10,718,564</u>

The City Council authorized transfers from the General Fund to various funds for fiscal year 2016-2017 to the following accounts and projects:

Business Improvement District Fund	\$ 75,000	Business Improvement Projects
Capital Improvement Fund	3,660,000	Street and Building Improvement Projects
Special Gas Tax Fund	238,000	Street Maintenance
Self-Insurance Fund	6,200,000	Initiative to Reduce Unfunded Liabilities
	<u>\$ 10,173,000</u>	

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

E. Internal Balances

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

NOTE 5 – CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2017, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 16,648,489	\$ 5,234,310	\$ 21,882,799
Construction in Progress	1,315,680		1,315,680
Total non-depreciable assets	17,964,169	5,234,310	23,198,479
Depreciable assets:			
Buildings	82,949,468	67,353,755	150,303,223
Improvements	7,734,728	113,416	7,848,144
Machinery and Equipment	10,228,199	6,214,006	16,442,205
Licensed Vehicles	13,111,909	124,175	13,236,084
Infrastructure:			
Park Irrigation Systems	4,668,420		4,668,420
Medians Irrigation	10,145,502		10,145,502
Park Structures	2,848,650		2,848,650
Roadway	250,615,643		250,615,643
Sidewalk	74,895,578		74,895,578
Curb and Gutter	37,447,790		37,447,790
Underground Piping and Storm Drain	20,025	6,640,738	6,660,763
Total depreciable assets	494,665,912	80,446,090	575,112,002
Less accumulated depreciation	(294,995,082)	(12,326,706)	(307,321,788)
Total depreciable assets, net	199,670,830	68,119,384	267,790,214
Total capital assets	\$ 217,634,999	\$ 73,353,694	\$ 290,988,693

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 5 – CAPITAL ASSETS (Continued)

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

	Balance July 1, 2016	Additions and Transfers	Deletions and Transfers	Balance June 30, 2017
Non-Depreciable Assets:				
Land	\$ 16,648,489	\$	\$	\$ 16,648,489
Construction in Progress		1,315,680		1,315,680
Total Non-Depreciable Assets	16,648,489	1,315,680		17,964,169
Depreciable Assets:				
Buildings	82,949,468			82,949,468
Improvements	4,692,847	3,041,881		7,734,728
Machinery and equipment	9,748,823	479,376		10,228,199
Licensed Vehicles	12,420,859	1,047,518	(356,468)	13,111,909
Infrastructure	380,641,608			380,641,608
Total Depreciable Assets	490,453,605	4,568,775	(356,468)	494,665,912
Accumulated Depreciation:				
Buildings	(23,673,677)	(1,576,232)	16,563	(25,233,346)
Improvements	(4,691,511)	(102,732)		(4,794,243)
Machinery and equipment	(7,796,605)	(515,800)		(8,312,405)
Licensed Vehicles	(8,051,628)	(844,670)	308,137	(8,588,161)
Infrastructure	(234,402,413)	(13,664,514)		(248,066,927)
Total Accumulated Depreciation	(278,615,834)	(16,703,948)	324,700	(294,995,082)
Depreciable Assets, Net	211,837,771	(12,135,173)	(31,768)	199,670,830
Total Governmental Activities				
Capital Assets, Net	\$ 228,486,260	\$ (10,819,493)	\$ (31,768)	\$ 217,634,999

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2017, are as follows:

General Government	\$ 318,253
Public Safety	477,379
Engineering and Transportation	13,207,479
Recreation and Human services	1,591,263
Community Development	318,253
Subtotal	15,912,627
Capital assets held by the City's Internal Service Funds	791,321
Total Depreciation Expense	\$ 16,703,948

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 5 – CAPITAL ASSETS (Continued)

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

	Balance July 1, 2016	Additions and Transfers	Deletions and Transfers	Balance June 30, 2017
Non-Depreciable Assets:				
Land	\$ 5,234,310	\$	\$	\$ 5,234,310
Construction in Progress	58,263,227	245,695	(58,508,922)	
Total Non-Depreciable Assets	<u>63,497,537</u>	<u>245,695</u>	<u>(58,508,922)</u>	<u>5,234,310</u>
Depreciable Assets:				
Buildings	11,012,283	56,341,472		67,353,755
Improvements	113,416			113,416
Machinery and equipment	5,895,241	318,765		6,214,006
Licensed Vehicles	124,175			124,175
Infrastructure	4,692,203	1,948,535		6,640,738
Total Depreciable Assets	<u>21,837,318</u>	<u>58,608,772</u>		<u>80,446,090</u>
Accumulated Depreciation:				
Buildings	(6,295,958)	(1,320,496)		(7,616,454)
Improvements	(113,416)			(113,416)
Machinery and equipment	(3,158,112)	(152,534)		(3,310,646)
Licensed Vehicles	(85,795)	(2,602)		(88,397)
Infrastructure	(1,067,311)	(130,482)		(1,197,793)
Total Accumulated Depreciation	<u>(10,720,592)</u>	<u>(1,606,114)</u>		<u>(12,326,706)</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 74,614,263</u>	<u>\$ 57,248,353</u>	<u>\$ (58,508,922)</u>	<u>\$ 73,353,694</u>

B. Funds Financial Statements

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT

A. Governmental Activities Long-Term Debt

Summary of changes in governmental activities long-term debt for the year ended June 30, 2017, follows:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Due within one year	Due in more than one year
Governmental Activity Debt:						
Certificates of Participation Bonds:						
2007 Certificates of Participation	\$ 16,735,000	\$	\$ (16,735,000)	\$	\$	\$
Pension Obligation Bonds:						
2012 Taxable Pension Obligation Bonds	14,345,000		(1,305,000)	13,040,000	1,415,000	11,625,000
Lease Revenue Bonds:						
2013 Refunding Lease Revenue Bonds						
City portion	8,463,000		(587,000)	7,876,000	601,000	7,275,000
2016 Refunding Lease Revenue Bonds		14,125,000		14,125,000	905,000	13,220,000
Total Governmental Activity Debt	39,543,000	14,125,000	(18,627,000)	35,041,000	2,921,000	32,120,000
Capital Leases:						
2012 Fire Truck	202,762		(202,762)			
2015 PNC Lease	476,182		(235,829)	240,353	240,353	
2016 Climatec Equipment Lease		5,409,045		5,409,045	154,330	5,254,715
Total Capital Leases	678,944	5,409,045	(438,591)	5,649,398	394,683	5,254,715
Other Debt						
HUD 108 Loan - Guarantee Loan - Senior Center	1,845,000		(131,000)	1,714,000	131,000	1,583,000
Total Other Debt	1,845,000		(131,000)	1,714,000	131,000	1,583,000
Total Government Activity Debt	\$ 42,066,944	\$ 19,534,045	\$ (19,196,591)	\$ 42,404,398	\$ 3,446,683	\$ 38,957,715
Plus unamortized:						
Discount (2007 COP)	\$ (29,427)	\$	\$ 29,427	\$	\$	\$
Discount (2012 POB)	(79,682)		10,119	(69,563)	(10,119)	(59,444)
Premium (2013 RLRB)	233,679		(19,888)	213,791	19,888	193,903
Premium (2016 RLRB)		2,130,092	(163,853)	1,966,239	163,853	1,802,386
Total General Long-term Obligations	\$ 42,191,514	\$ 21,664,137	\$ (19,340,786)	\$ 44,514,865	\$ 3,620,305	\$ 40,894,560

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.

In fiscal year 2016-17, the City repaid the outstanding 2007 Certificates of Participation with the issuance of the 2016 Refunding Lease Revenue Bonds.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

2012 Taxable Pension Obligation Bonds

In 2012, the City issued \$18,305,000 principal amount of 2012 Taxable Pension Obligation Bonds (2012 POB). The purpose of the 2012 POB is to save the City money, the interest rate, including the cost of issuance, must be significantly less than the interest rate the CalPERS charges to amortize the public safety side fund which is distinct from the City's other CalPERS plans. Side funds are retired over a fixed term with a fixed amortization schedule based on CalPERS actuarial earnings assumption rate (7.65%). Principal is due annually on December 1 and the interest is due semi-annually on June 1 and December 1 through June 2024. Debt service is payable from available City resources.

At June 30, 2017, future debt service requirements for the City's portion of the 2012 Taxable Pension Obligations Bonds follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 1,415,000	\$ 636,868	\$ 2,051,868
2019	1,540,000	585,644	2,125,644
2020	1,680,000	519,116	2,199,116
2021	1,835,000	441,164	2,276,164
2022	2,000,000	350,516	2,350,516
2023-2024	4,570,000	379,843	4,949,843
	\$ 13,040,000	\$ 2,913,151	\$ 15,953,151

2013 Refunding Lease Revenue Bonds

In April 2013, the City issued \$8,883,000 principal amount of 2013 Refunding Lease Revenue Bonds (2013 RLRB). The purpose of the 2013 RLRBs was to refund and retire the City's 2003 COPs and 2001 COPs. The 2013 RLRBs bear interest rates ranging from 2.00% to 5.00% and are payable semiannually on each June 1 and December 1. Principal payments are payable annually on December 1.

At June 30, 2017, future debt service requirements for the City's portion of the 2013 RLRB follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 601,000	\$ 272,141	\$ 873,141
2019	621,000	253,811	874,811
2020	641,000	234,881	875,881
2021	661,000	215,351	876,351
2022	681,000	191,816	872,816
2023-2027	3,821,000	553,144	4,374,144
2028	850,000	23,644	873,644
	\$ 7,876,000	\$ 1,744,788	\$ 9,620,788

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

2016 Refunding Lease Revenue Bonds

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

The refunding resulted in an overall debt service savings of \$2,115,314. The net present value of the debt service savings, called an economic gain, amounted to \$1,839,554. At June 30, 2017, future debt service requirements for the 2016 RLRBs follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 905,000	\$ 592,150	\$ 1,497,150
2019	875,000	569,975	1,444,975
2020	895,000	538,950	1,433,950
2021	930,000	502,450	1,432,450
2022	970,000	459,600	1,429,600
2023-2027	5,590,000	1,546,750	7,136,750
2028-2030	3,960,000	296,425	4,256,425
	\$ 14,125,000	\$ 4,506,300	\$ 18,631,300

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. As of June 30, 2017, the City paid the lease in its entirety.

2015 PNC Equipment Lease

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

At June 30, 2017, future debt service requirements for the 2015 equipment lease follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 240,353	\$ 4,611	\$ 244,964
	\$ 240,353	\$ 4,611	\$ 244,964

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

2016 Climatec Equipment Lease

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

At June 30, 2017, future debt service requirements for the 2016 equipment lease follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 154,330	\$ 113,590	\$ 267,920
2019	313,538	108,712	422,250
2020	320,156	102,092	422,248
2021	326,915	95,334	422,249
2022	333,816	88,433	422,249
2023-2027	1,777,810	333,440	2,111,250
2028-2032	1,973,552	137,698	2,111,250
2033	208,928	2,189	211,117
	\$ 5,409,045	\$ 981,488	\$ 6,390,533

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, 2017 future debt service requirements for the HUD 108 Guarantee loan follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 131,000	\$ 63,584	\$ 194,584
2019	131,000	59,635	190,635
2020	132,000	55,414	187,414
2021	132,000	50,972	182,972
2022	132,000	46,246	178,246
2023-2027	660,000	153,760	813,760
2028-2030	396,000	25,992	421,992
	\$ 1,714,000	\$ 455,603	\$ 2,169,603

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

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

Summary of changes in long-term debt of business-type and proprietary funds for the year ended June 30, 2017:

	Balance June 30, 2016	Retirements	Balance June 30, 2017	Due Within one year	Due in more than one year
State Water Resources					
Control Board	\$ 42,712,996	\$ (1,655,327)	\$ 41,057,669	\$ 1,698,365	\$ 39,359,304
Marina Note	1,466,823	(226,911)	1,239,912	237,123	1,002,789
Total	<u>\$ 44,179,819</u>	<u>\$ (1,882,238)</u>	<u>\$ 42,297,581</u>	<u>\$ 1,935,488</u>	<u>\$ 40,362,093</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. The project was completed in fiscal year 2016-17.

The City made its first debt service payment of \$2.8 million in fiscal year 2016-17. Pursuant to the agreement, the City is expected to obtain net revenues of the Water system to be equal to at least 1.20 times the total annual debt service in such fiscal year. In fiscal year 2017, net revenues amounted to \$3,939,482 which represented coverage of 142.4% over the \$2,765,864 in debt service. Future debt service is expected to average \$3 million per year through fiscal year 2035-36 for a total of \$52.6 million.

At June 30, 2017, future debt service requirements for the State Water Resources Control Board loan are as follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 1,698,365	\$ 1,067,499	\$ 2,765,864
2019	1,742,522	1,023,342	2,765,864
2020	1,787,828	978,036	2,765,864
2021	1,834,312	931,553	2,765,865
2022	1,882,004	883,861	2,765,865
2023-2027	10,169,947	3,659,377	13,829,324
2028-2032	11,562,599	2,266,723	13,829,322
2033-2036	10,380,092	683,363	11,063,455
	<u>\$41,057,669</u>	<u>\$ 11,493,754</u>	<u>\$52,551,423</u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

Marina Cal Boating Notes Payable

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

At June 30, 2017, future debt service requirements for the Marina Cal Boating Notes Payable are as follows:

For The Year Ending	Principal	Interest	Total
2018	\$ 237,123	\$ 55,887	\$ 293,010
2019	247,793	45,216	293,009
2020	258,944	34,065	293,009
2021	270,587	22,413	293,000
2022	93,273	10,236	103,509
2023-2027	132,192	16,256	148,448
	\$ 1,239,912	\$ 184,073	\$ 1,423,985

C. Debt Covenants and Restrictions

For June 30, 2017, 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.

D. Long-Term Debt Without City Commitment

The City has sponsored the issuance of the following debt, for which the City is not liable for repayment but acts as an agent for the property owners and bondholders:

	Project Description	Outstanding June 30, 2017
California Municipal Finance Authority Revenue Bonds, Series 2015	Las Palmas Affordable Housing	\$ 22,901,000

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 7 – COMPENSATED ABSENCES

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

Summary of changes in compensated absences for the year ended June 30, 2017, follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Due within one year	Due in more than one year
Governmental Activities	\$ 3,532,938	\$ 1,024,854	\$ (730,399)	\$ 3,827,393	\$ 585,223	\$ 3,242,170
Business-type Activities	639,847	56,998	(70,072)	626,773	56,409	570,364
Total	\$ 4,172,785	\$ 1,081,852	\$ (800,471)	\$ 4,454,166	\$ 641,632	\$ 3,812,534

NOTE 8 – UNEARNED REVENUE

A. Governmental-Wide Financial Statements

Unearned revenue in the Government-Wide Financial Statements represents amounts for which revenues have not been earned. At June 30, 2017, unearned revenue in the Government-Wide Financial Statements was \$2,571,533.

NOTE 9 – NET POSITION AND FUND BALANCES

A. Net Position

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

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

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

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, 2017, the City does not have committed fund balance.

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

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, 2017, the General Fund had outstanding encumbrances of \$1,503, 831.

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, 2017, the following are reported within the unassigned fund balance of the General Fund:

Compensated Absences	\$	572,093
Major Emergencies		5,000,000
Economic Uncertainty		2,828,721
Other		<u>25,380,622</u>
Total	\$	<u><u>33,781,436</u></u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2017, are below:

	General Fund	Capital Improvement Capital Project Fund	San Leandro Public Financing Authority Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendables:					
Advances to Other Funds	\$ 8,106,392	\$	\$	\$	\$ 8,106,392
Loans receivable	2,146,919				2,146,919
Loan to Successor Agency	2,299,315				2,299,315
Total Nonspendable Fund Balances	12,552,626				12,552,626
Restricted for:					
Internship	50,000				50,000
Debt Service			755,367		755,367
Capital Projects					
Capital Improvement Projects		16,039,786			16,039,786
Subtotal	50,000	16,039,786	755,367		16,845,153
Non-Major Governmental Funds					
Debt Service				121	121
GHAD				14,148	14,148
Affordable Housing				1,688,552	1,688,552
Street/ Traffic Improvements				1,549,151	1,549,151
Park Development Fees				1,071,449	1,071,449
Underground Utility				2,268,619	2,268,619
Special Gas Tax				1,522,436	1,522,436
Cherrywood Maintenance				391,898	391,898
Measure B - Paratransit				304,936	304,936
Asset Seizure				762,170	762,170
Heron Bay				926,151	926,151
Proposition 1B - Local Streets & Roads				13,068	13,068
Measure B				2,286,895	2,286,895
Measure F				571,850	571,850
Measure BB				893,956	893,956
CDBG				136,438	136,438
HOME				142,209	142,209
Housing In- Lieu				193,143	193,143
Business Improvement District				227,958	227,958
Public Education and Government				604,475	604,475
Subtotal				15,569,623	15,569,623
Total Restricted Fund Balances	50,000	16,039,786	755,367	15,569,623	32,414,776
Assigned to:					
Encumbrances - departmental projects	1,503,831				1,503,831
ACFD OPEB	3,074,000				3,074,000
Total Assigned Fund Balances	4,577,831				4,577,831
Unassigned:					
General fund - Compensated Absences	572,093				572,093
General fund - Major Emergencies	5,000,000				5,000,000
General fund - Economic Uncertainty	2,828,721				2,828,721
General fund - Other	25,380,622				25,380,622
Other fund deficits				(717,114)	(717,114)
Total Unassigned Fund Balances	33,781,436			(717,114)	33,064,322
Total Fund Balances	\$ 50,961,893	\$ 16,039,786	\$ 755,367	\$ 14,852,509	\$ 82,609,555

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Fund Deficits

At June 30, 2017, the following funds had fund balance deficit or net position deficit:

Parking Special Revenue Fund	\$	127,545
Special Grants Special Revenue Fund		589,569

B. Expenditures in Excess of Appropriations

Excess of expenditures over appropriations approved by the City Council occurred in individual funds during the fiscal year 2016-17 as follows:

Fund/Department	Expenditure	Appropriation	Excess
Debt Service Funds			
San Leandro Public Financing Authority			
Principal	\$ 17,322,000	\$ 1,497,000	\$ (15,825,000)
Interest and Fees	1,314,073	1,002,279	(311,794)
Special Revenue Funds			
Affordable Housing			
Community Development	746,831	743,239	(3,592)
Parking			
Engineering and Transportation	262,341	259,458	(2,883)
Cherrywood Maintenance District			
Engineering and Transportation	196	-	(196)
Heron Bay			
Interest and Fees	3,400	-	(3,400)
Special Grants			
Public Safety	426,747	276,135	(150,612)
Measure B			
Recreation and Culture	1,916,052	548,918	(1,367,134)
Business Improvement District			
Community Development	600,000	346,920	(253,080)
Public Education and Government			
Community Development	69,003	62,159	(6,844)

NOTE 11 - INSURANCE

The City provides workers' compensation benefits under self-insurance programs. Claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the Self Insurance Internal Service Fund. The City's self-insured retention limit for workers' compensation is \$250,000 per claim. The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). This coverage includes a limit of \$45 million for excess workers compensation, \$4.75 million for employer's liability, and a statutory excess layer of \$50 million.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 11 – 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 for liability losses. The City has had no settlements that exceed the self-insured retention coverage in the last five fiscal years. The City added Pollution and Environmental Liability, effective July 1, 2013.

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

The following provides a reconciliation of claims and judgments:

	Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims for Payments in Current and Prior Fiscal Years	Liability Balance June 30
2014-2015	\$ 6,672,899	\$ 3,117,261	\$ (3,743,614)	\$ 6,046,546
2015-2016	6,046,546	5,292,142	(5,241,904)	6,096,784
2016-2017	6,096,784	9,704,853	(9,752,568)	6,049,069

NOTE 12 - COMMITMENTS AND CONTINGENCIES

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

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City. As discussed in Note 11 to the Financial Statements, the City maintains a Self Insurance Fund which has reserves of \$6,049,069 at the end of June 30, 2017. These reserves are available to satisfy any future liability.

A. Sales Tax Reimbursement Agreement

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

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

For the fiscal year ended June 30, 2017, under this sales-tax reimbursement agreement, the City has abatements totaling \$237,144.

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

NOTE 13 – PENSIONS PLAN

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

A. Plan Descriptions and Summary of Balances by Plan

All qualified permanent employees are eligible to participate in the City’s defined benefit pension plans:

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

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

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended June 30, 2017:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 16,843,440	\$ 82,443,684	\$ 1,124,590
Safety	21,191,761	74,111,802	5,461,124
Total	<u>\$ 38,035,201</u>	<u>\$ 156,555,486</u>	<u>\$ 6,585,714</u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012. The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

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

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7 @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	3%	2% - 2.7%
Required employee contribution rates	8.987%	12.250%
Required employer contribution rates	48.418%	13.242%

Employees Covered – As of the June 30, 2015 actuarial valuation date and the June 30, 2016 measurement date, the following employees were covered by the benefit terms for the plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	582	284

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

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

For the year ended June 30, 2017, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - employer	\$ 6,387,063	\$ 5,233,646	\$ 11,620,709

B. Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	All Miscellaneous Plans
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.2% - 12.2% (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)

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

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

Change of Assumptions – There were no changes of assumptions in fiscal year 2016-2017.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

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

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

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 259,999,701	\$ 193,033,728	\$ 66,965,973
Changes in the year:			
Service cost	3,522,248		3,522,248
Interest on the total pension liability	19,495,753		19,495,753
Changes of benefit terms			
Changes of assumptions			
Differences between expected and actual experience	593,697		593,697
Plan to plan resource movement			
Contributions - employer		5,638,865	(5,638,865)
Contributions - employees		1,618,186	(1,618,186)
Net investment income		994,580	(994,580)
Benefit payments, including refunds of employee contributions	(15,016,152)	(15,016,152)	
Administrative expense		(117,644)	117,644
Net changes	8,595,546	(6,882,165)	15,477,711
Balance at June 30, 2016	\$ 268,595,247	\$ 186,151,563	\$ 82,443,684

As of June 30, 2017, the Safety cost-sharing plan reported net pension liabilities for its proportionate shares of the net pension liability at \$74,111,802.

The Safety Plan net pension liability is measured as the proportionate share of the net pension liability in the State-wide pool. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2015 and 2016 was as follows:

	Safety
Proportion - June 30, 2015	1.42880%
Proportion - June 30, 2016	1.39747%
Change - Increase (Decrease)	-0.03133%

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 115,390,303	\$ 110,080,898
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 82,443,684	\$ 74,111,802
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 55,047,034	\$ 44,584,860

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

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

For the year ended June 30, 2017, the City recognized pension expense of \$8,187,300. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 11,620,709	\$ -
Differences between actual and expected experience	323,835	(1,090,142)
Changes in assumptions		(1,962,619)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	8,252,434	(3,532,953)
Net differences between projected and actual earnings on plan investments	17,838,223	
Total	<u>\$ 38,035,201</u>	<u>\$ (6,585,714)</u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 13 – PENSION PLAN (Continued)

The \$11,620,709 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2017	\$ 489,717
2018	2,874,279
2019	6,408,586
2020	8,050,183
2021	2,006,013
Thereafter	-

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

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 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, 2017

NOTE 14 – 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 twenty-three 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	\$ 892,619
Interest on net OPEB assets	(67,861)
Adjustment to the annual required contribution	<u>72,756</u>
Annual OPEB cost	897,514
Less: Contributions made - medical and dental	(838,327)
Less: Contributions made - PARS	<u>(6,950,000)</u>
Decrease in net OPEB obligation	(6,890,813)
Net OPEB (asset) - beginning year	<u>(1,233,838)</u>
Net OPEB (asset) - end of year	<u><u>\$ (8,124,651)</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 asset for 2017 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 (Asset)
2009	\$ 1,791,000	\$ 1,411,315	79%	\$ 379,685
2010	1,870,000	1,359,742	73%	510,258
2011	1,387,000	920,415	66%	466,585
2012	1,452,000	1,169,503	81%	282,497
2013	1,403,000	913,026	65%	489,974
2014	1,471,000	1,980,000	135%	(509,000)
2015	1,378,000	2,575,668	187%	(1,197,668)
2016	960,480	2,616,649	272%	(1,656,169)
2017	897,514	7,788,327	868%	<u>(6,890,813)</u>
Total Net OPEB (Asset)				<u><u>\$ (8,124,651)</u></u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

C. Plan Funded Status Information

As of June 30, 2017, the latest valuation date, the funded status of the plan, was as follows:

Actuarial Valuations	
Actuarial accrued liability (AAL)	\$ 16,181,981
Actuarial value of plan assets	13,665,308
Unfunded actuarial accrued liability (UAAL)	2,516,673
Funded ratio (actuarial value of plan assets/AAL)	84%
Covered payroll (active plan members)	30,080,047
UAAL as percentage of covered payroll	8.4%

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, 2017 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include 5.5% investment rate of return. Assets in the plan are invested in a moderately conservative portfolio that will provide current income with capital appreciation as a secondary objective. A 3.0% general rate of inflation was used, as well as 3.0% aggregate payroll increases.

The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll over a 23 year closed amortization period. There is no assumed postretirement benefit increase.

- Healthcare costs trends utilized actual premium rates for 2017. Future years were reduced to an ultimate rate 5% for both HMO and PPO plans by 2019.
- 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).

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

E. OPEB Trust Fund

The City's OPEB Plan discussed above is required to implement the provisions of Governmental Accounting Standards Board Statement No. 74 in fiscal year 2017, which requires the following additional disclosures:

Plan Administration – The City is the Plan Administer. PARS administers the investment trust for the City's OPEB Plan.

Plan Membership – Plan membership varies based on different employee bargaining groups. As of June 30, 2017, membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits	289
Terminated plan members entitled to, but not yet receiving benefits	-
Active plan members	337
Total Members	626

Investments – PARS offers different investment portfolios as part of the investment vehicle. The City invests in the "Moderately Conservative HighMark Plus" portfolio with the dual investment objective of providing current income and moderate capital appreciation. The major portions of the assets is committed to income-producing securities and market fluctuations are to be expected. The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selections and monitoring process help to drive return potential while reducing portfolio risk. The strategic range and asset allocation of the Moderately Conservative HighMark Plus portfolio is 20-40% within Equity, 50-80% within Fixed Income and 0-20% in Cash. The table below identifies the range of types of money market and mutual funds that are authorized by the OPEB Trust Fund's moderate investment strategy:

Asset Class	Target Allocation
Equity	29%
Fixed Income	68%
Cash	3%
Total	100%

Investment Rate of Return – For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 6.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability – The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Total OPEB Liability	\$ 18,835,515
Plan Fiduciary Net Position	(13,665,308)
City's Net OPEB Liability	\$ 5,170,207

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	72.55%
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CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.00% average, including inflation
Investment Rate of Return	5.75%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates	7.0% for 2017, trending down to 3.94% over 56 years
Mortality Rate table	Derived using CalPERS Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	29%	5.65%
Fixed Income	68%	2.37%
Cash	3%	0.65%

Discount Rate – The discount rates used to measure the total OPEB liability were 5.75% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – In accordance with GASB 74, regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table presents the net OPEB liability of the Plan as of June 30, 2017, calculated using the discount rate of 5.75%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease 4.75%	Current 5.75%	1% Increase 6.75%
Net OPEB Liability (Asset)	\$ 6,874,864	\$ 5,170,207	\$ 3,694,579

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rate		
	1% Decrease	Current	1% Increase
	6.00% decreasing to 2.94%	7.00% decreasing to 3.94%	8.00% decreasing to 4.94%
Net OPEB Liability (Asset)	\$ 3,576,493	\$ 5,170,207	\$ 7,094,240

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

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

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 16 – SUCCESSOR AGENCY ACTIVITIES

A. Cash and Investments

Cash and Investments at June 30, 2017, consisted of the following:

Statement of net assets:	
Cash and Investments	\$ 7,472,963
Cash and Investments held by trustee	1,877,544
Total cash and investments	<u>\$ 9,350,507</u>

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)

B. Loan from the City

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Successor Agency	\$ 2,299,315
		<u>\$ 2,299,315</u>

Plaza Project Area General Fund Loan:

On March 7, 2011, the former San Leandro Redevelopment Agency made a scheduled debt service payment of \$171,764 in principal and \$128,236 in interest for a loan due to the City of San Leandro General Fund from the Plaza Project Area. Subsequently, on March 7, 2011, the Executive Board of the former Agency authorized a payment of \$2,137,273 to the City of San Leandro to retire the full remaining balance of this loan. The loan had an initial balance of \$2,887,617 and was secured by a Promissory Note executed on December 5, 2002. Although the loan was made for legitimate redevelopment purposes and the repayment was consistent with the requirements of the Promissory Note, the State Department of Finance has asserted that these payments were not made for an approved enforceable obligation and that the funds must be remitted to the Alameda County Auditor-Controller. The City disputed this finding and initiated litigation to resolve this issue.

A ruling issued by the Superior Court of California on September 23, 2014 sided with the State Department of Finance on this issue and indicates that the City will be required to remit a payment of \$2,437,273 as a “claw back” of General Fund loan payments made after January 1, 2011. While an appeal was pending, the City and the Department of Finance agreed to abide by the initial court ruling on this matter and the Department of Finance ultimately issued a revised determination letter on June 23, 2015 that yielded to the City’s position on other issues but maintained the demand for the \$2,437,273 “claw back.” The City made that payment in October 2015, after which the City, as a taxing entity itself, received approximately 12% of the funds.

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

The current outstanding balance on the loan is \$2,299,315. Including interest, the City will receive approximately \$3,369,000 in payments towards the loan. Of this, approximately \$2,695,000 will be remitted to the General Fund and \$674,000 (20%) will be remitted to the Low and Moderate Income Housing Asset Fund. In keeping with State law, a defined repayment schedule was developed with annual payments of \$574,829. Payments will be made based upon availability of funds after payment of other enforceable obligations on the ROPS and the yearly cap. Based upon this requirement, sufficient funds are projected to be available to begin payments in fiscal year 2017-18 and complete loan payoff by fiscal year 2022-23.

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 16 – 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 subsequently denied this loan.

The Successor Agency pursued litigation and a ruling issued by the Superior Court of California on September 23, 2014 sided with the City on this issue, agreeing that the amount owed constitutes a legitimate enforceable obligation that can be listed on the ROPS. While an appeal was pending, the City and the Department of Finance agreed to abide by the initial court ruling. In a May 14, 2015 letter, the Department of Finance stated that it will no longer deny this loan on the ROPS. All but one of the loan payments are already due and payable, therefore the Successor Agency requested \$1,782,444 in funding for payments due under this loan on the ROPS for January through June 2016, which was then remitted to the City. The remaining balance of \$432,632 was requested on the ROPS for July 2016 through June 2017. This loan has been paid in its entirety in fiscal year 2016-17.

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, 2017

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2017</u>
Non-depreciable Assets:			
Land	\$ 1,203,435	\$	\$ 1,203,435
Depreciable Assets:			
Buildings and Improvements	828,076		828,076
Total Depreciable Assets	828,076		828,076
Accumulated Depreciation:			
Buildings and Improvements	(285,073)	(16,563)	(301,636)
Total Accumulated Depreciation	(285,073)	(16,563)	(301,636)
Depreciable Assets, Net	543,003	(16,563)	526,440
Total Private Purpose Trust Fund Activity Capital Assets, Net	<u>\$ 1,746,438</u>	<u>\$ (16,563)</u>	<u>\$ 1,729,875</u>

D. Long-Term Debt Obligations

At June 30, 2017, future debt service requirements for the Successor Agency were as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Current</u> <u>Portion</u>	<u>Long-Term</u> <u>Portion</u>
2008 Tax Allocation Bonds	\$ 24,075,000	\$ (595,000)	\$ 23,480,000	\$ 620,000	\$ 22,860,000
2013 Refunding Lease Revenue Bonds Successor Agency Portion	2,587,000	(203,000)	2,384,000	204,000	2,180,000
2014 Tax Allocation Refunding Bonds Successor Agency Portion	11,235,000		11,235,000		11,235,000
Owner Participation Agreements	1,273,601	(237,143)	1,036,458	302,179	734,279
King Property Settlement	2,750,000	(1,500,000)	1,250,000	1,250,000	
HUD 108 Guarantee Notes Affordable Housing	244,000	(63,000)	181,000	63,000	118,000
Total	<u>\$ 42,164,601</u>	<u>\$ (2,598,143)</u>	<u>\$ 39,566,458</u>	<u>\$ 2,439,179</u>	<u>\$ 37,127,279</u>
Plus (Less) unamortized:					
Premium (2008 TAB)	\$ 156,524	\$ (6,522)	\$ 150,002	\$ 6,522	\$ 143,480
Premium (2013 LRRB)	92,047	(8,562)	83,485	8,562	74,923
Premium (2014 TAB)	1,510,781	(81,664)	1,429,117	81,664	1,347,453
Total Debt	<u>\$ 43,923,953</u>	<u>\$ (2,694,891)</u>	<u>\$ 41,229,062</u>	<u>\$ 2,535,927</u>	<u>\$ 38,693,135</u>

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)

2008 Tax Allocation Bonds

In 2008, \$27,530,000 principal amount of 2008 Tax Allocation Bond (2008 TABs) was issued. The purpose of the 2008 TABs was to provide funds to finance capital projects in the Alameda County-City of San Leandro former Redevelopment Project Area. A portion of the 2008 TABs were used to finance projects that meet the goals and objectives set forth in the former Redevelopment Plan. These include, but not limited to, design and construction of a senior center, a proposed parking garage, and infrastructure improvements on East 14th 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, 2017, future debt service requirements for the 2008 Tax Allocation Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 620,000	\$ 1,199,938	\$ 1,819,938
2019	645,000	1,168,313	1,813,313
2020	675,000	1,136,325	1,811,325
2021	705,000	1,103,719	1,808,719
2022	735,000	1,069,335	1,804,335
2023-2027	4,235,000	4,760,961	8,995,961
2028-2032	5,420,000	3,547,275	8,967,275
2033-2037	7,070,000	1,904,438	8,974,438
2038-2039	3,375,000	184,545	3,559,545
	\$ 23,480,000	\$ 16,074,849	\$ 39,554,849

2013 Refunding Lease Revenue Bonds

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

At June 30, 2017, future debt service requirements for the Successor Agency's portion of the 2013 Refunding Lease Revenue Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$ 204,000	\$ 81,640	\$ 285,640
2019	214,000	75,370	289,370
2020	219,000	68,875	287,875
2021	224,000	62,230	286,230
2022	234,000	54,190	288,190
2023-2027	1,289,000	133,393	1,422,393
	\$ 2,384,000	\$ 475,698	\$ 2,859,698

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)

2014 Tax Allocation Refunding Bonds

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

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

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

At June 30, 2017, future debt service requirements for the 2014 Tax Allocation Refunding Bonds were as follows:

For The Year Ending June 30	Principal	Interest	Total
2018	\$	\$ 537,825	\$ 537,825
2019		537,825	537,825
2020	\$405,000	527,700	932,700
2021	485,000	505,450	990,450
2022	675,000	476,450	1,151,450
2023-2027	3,815,000	1,831,750	5,646,750
2028-2032	4,260,000	814,375	5,074,375
2033-2035	1,595,000	67,463	1,662,463
	\$ 11,235,000	\$ 5,298,838	\$ 16,533,838

Owner Participation Agreements with Agency Commitment

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

Ford Motor Company Owner Participation Agreement

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

CITY OF SAN LEANDRO
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES (Continued)

King Property Settlement Agreement

The Successor Agency of the former Redevelopment Agency of the City of San Leandro had agreements with the King parties who are owners of a 3.7 acre parcel on East 14th 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, 2017, future debt service requirements for the 2014 King Property Settlement were as follows:

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

HUD 108 Guarantee Notes

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

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 63,000	\$ 4,697	\$ 67,697
2019	63,000	2,798	65,798
2020	55,000	908	55,908
	<u>\$ 181,000</u>	<u>\$ 8,403</u>	<u>\$ 189,403</u>

NOTE 17 – SUBSEQUENT EVENT

Authorized but Unissued Debt

On April 2, 2018, the City Council authorized the Successor Agency to the Redevelopment Agency of the City of San Leandro to issue refunding bonds for the previously issued Tax Allocation Bonds, Series 2008. The bonds are expected to be issued in June 2018."



REQUIRED SUPPLEMENTARY INFORMATION

City of San Leandro
Required Supplementary Information
For the year ended June 30, 2017

1. BUDGETS AND BUDGETARY ACCOUNTING

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Property taxes and other taxes	\$ 79,826,991	\$ 84,407,140	\$ 87,817,103	\$ 3,409,963
Licenses and permits	6,856,454	7,272,454	8,266,271	993,817
Fines and forfeitures	1,127,280	1,127,280	1,572,898	445,618
Services charges	2,866,074	2,866,074	3,007,941	141,867
Intergovernmental	1,018,547	854,050	1,226,779	372,729
Use of money and property	1,210,524	1,228,524	1,549,605	321,081
Interdepartmental charges	2,002,140	2,002,140	1,999,878	(2,262)
Other	601,500	835,897	512,461	(323,436)
Total revenues	95,509,510	100,593,559	105,952,936	5,359,377
EXPENDITURES:				
Current:				
General government	11,783,335	12,688,955	11,493,208	1,195,747
Public safety	54,552,715	56,938,242	54,150,539	2,787,703
Engineering and transportation	7,929,220	8,933,853	8,542,894	390,959
Recreation and culture	9,433,856	10,472,929	10,254,005	218,924
Community development	5,104,381	7,017,922	5,064,630	1,953,292
Debt service:				
Principal	1,988,056	1,988,056	1,507,762	480,294
Interest and fees	813,135	813,135	811,451	1,684
Total expenditures	91,604,698	98,853,092	91,824,489	7,028,603
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,904,812	1,740,467	14,128,447	12,387,980
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(3,563,000)	(3,923,000)	(10,173,000)	(6,250,000)
Total other financing sources (uses)	(3,563,000)	(3,923,000)	(10,173,000)	(6,250,000)
NET CHANGE IN FUND BALANCE	\$ 341,812	\$ (2,182,533)	3,955,447	\$ 6,137,980
FUND BALANCES:				
Beginning of year			47,006,446	
End of year			\$ 50,961,893	

CITY OF SAN LEANDRO
Required Supplementary Information
For the year ended June 30, 2017

Budgets and Budgetary Accounting

The City adopts a biennial budget annually for all governmental fund types. This budget is effective July 1 through June 30 for each of the ensuing fiscal years. The second year of the biennial budget is amended during the mid-biennial budget cycle process. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year-end, unless otherwise authorized by the City Council and the City Manager, except for capital improvement funds for which appropriations may be carried over for not more than five (5) fiscal years as per the City of San Leandro Charter, Section 520. The City did not budget Proposition 1B – Local Streets and Roads Fund and Housing In Lieu Fund.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for capital projects funds, which are adopted on a project length basis, which means budgets, are used until the project's completion, not to exceed five fiscal years, for the entire project amount.

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

GAAP serves as the budgetary basis of accounting.

CITY OF SAN LEANDRO
Required Supplementary Information
For the year ended June 30, 2017

City of San Leandro
Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan
As of fiscal year ending June 30, 2017
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years*

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

Notes to Schedule:

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

Changes in assumptions - In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation; therefore, only three years are shown.

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017
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City of San Leandro
Agent Multiple Employer Defined Benefit Retirement Plan - Miscellaneous Plan
As of fiscal year ending June 30, 2017
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 5,043,060	\$ 5,638,865	\$ 6,387,063
Contributions in relation to the actuarially determined contributions	(5,043,060)	(5,638,865)	(6,387,063)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 19,979,507	 \$ 21,037,041	 \$ 21,903,698
 Contributions as a percentage of covered payroll	 25.24%	 26.80%	 29.16%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9 years
Asset valuation method	5-year semi-annually
Inflation	2.75%
Salary increases	3.2% - 12.2%
 Investment rate of return	 7.50%, net of pension plan investment expense, including inflation
Retirement age	55 years
Mortality	Derived using CalPERS Membership Data for all Funds

* Fiscal year 2015 was the 1st year of implementation; therefore, only three years were shown.

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017
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City of San Leandro
 Cost-Sharing Multiple-Employer Defined Pension Plan - Safety Plan
SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE
Last 10 Years*

	2014	2015	2016
Plan's proportion of the Net Pension Liability (Asset)	0.77754%	1.40159%	1.39740%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 48,381,880	\$ 57,751,630	\$ 74,111,802
Plan's Covered Payroll	\$ 10,789,007	\$ 10,794,582	\$ 11,439,904
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	450.15%	535.01%	647.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%	77.71%	77.71%

* - Fiscal year 2015 was the 1st year of implementation; therefore, only three years were shown.

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017
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City of San Leandro
 Cost-Sharing Multiple Employer Defined Pension Plan - Safety Plan
 For the Fiscal Year Ended June 30, 2017
SCHEDULE OF CONTRIBUTIONS
 Last 10 Years*

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

* - Fiscal year 2015 was the 1st year of implementation; therefore, only three years were shown.

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017
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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)
6/30/2013	\$ 1,505,000	\$ 16,081,000	\$ 14,576,000	9%	\$ 28,131,000	51.8%
6/30/2015	3,502,137	15,577,516	12,075,379	22%	28,353,329	42.6%
6/30/2017	13,665,308	16,181,981	2,516,673	84%	30,080,047	8.4%

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017

City of San Leandro
Other Postemployment Benefits Plan
Schedule of Changes in the
Net OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)

For the Measurement Period Ended June 30	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 709,979
Interest	1,027,370
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments	(1,538,260)
Net change in Total OPEB Liability	199,089
Total OPEB Liability at beginning of year	18,636,426
Total OPEB Liability at end of year	<u><u>\$ 18,835,515</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 8,488,260
Contributions - member	-
Net investment income	640,483
Benefit payments	(1,538,260)
Administrative expenses	(40,605)
Net change in Plan Fiduciary Net Position	7,549,878
Plan Fiduciary Net Position at beginning of year	6,115,430
Plan Fiduciary Net Position at end of year	<u><u>\$ 13,665,308</u></u>
Authority's Net OPEB Liability (Asset) at end of year	<u><u>\$ 5,170,207</u></u>
Plan's Fiduciary Net Position as percentage of Total OPEB Liability	72.6%
Covered payroll	\$30,080,047
Net OPEB Liability as percentage of covered payroll	17.19%

Notes:

(1) Fiscal year 2017 was the first year of implementation

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017

City of San Leandro
Other Postemployment Benefits Plan
Schedule of Employer's Net OPEB Liability
Last Ten Fiscal Years (1)

For the Fiscal Year Ended June 30	<u>2017</u>
Total OPEB liability	\$18,835,515
Trust fiduciary net position	<u>13,665,308</u>
Employer net OPEB liability	<u><u>\$5,170,207</u></u>

(1) Fiscal year 2017 was the first year of implementation

CITY OF SAN LEANDRO Required Supplementary Information For the year ended June 30, 2017

City of San Leandro
Other Postemployment Benefits Plan
Schedule of Contributions
Last Ten Fiscal Years (1)

For the Fiscal Year Ended June 30	<u>2017</u>
Actuarially Determined Contributions	\$ 892,618
Employer Contributions	<u>(7,788,327)</u>
Contribution Deficiency (Excess)	<u><u>\$ (6,895,709)</u></u>
 Covered payroll	 \$ 30,080,047
 Contributions as percentage of covered payroll	 -25.89%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	5.75%, net of OPEB plan investment expense, including inflation
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Fiscal year 2017 was the first year of implementation

CITY OF SAN LEANDRO
Required Supplementary Information
For the year ended June 30, 2017

For the Fiscal Year Ended June 30	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	6.69%

(1) Fiscal year 2017 was the first year of implementation

SUPPLEMENTARY INFORMATION



City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Major Governmental Fund
Capital Improvement Capital Projects Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Service charges	\$ 10,000	\$ 114,592	\$ 104,592
Use of money and property	-	41	41
Other	55,300	1,329,447	1,274,147
Total revenues	65,300	1,444,080	1,378,780
EXPENDITURES:			
Current:			
Engineering and transportation	10,030,168	2,995,340	7,034,828
Community development	4,412,026	204,430	4,207,596
Total expenditures	14,442,194	3,199,770	11,242,424
REVENUES OVER (UNDER) EXPENDITURES	(14,376,894)	(1,755,690)	12,621,204
OTHER FINANCING SOURCES (USES):			
Proceeds from the issuance of debt		5,409,045	5,409,045
Transfer in	3,840,000	3,600,000	(240,000)
Transfer (out)	-	(280,000)	(280,000)
NET CHANGE IN FUND BALANCES	\$ (10,536,894)	6,973,355	\$ 17,510,249
FUND BALANCES:			
Beginning of year		9,066,431	
End of year		\$ 16,039,786	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Major Governmental Fund
San Leandro Public Financing Authority Debt Service Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Use of money and property	\$ 2,499,279	\$ 2,494,683	\$ (4,596)
Total revenues	<u>2,499,279</u>	<u>2,494,683</u>	<u>(4,596)</u>
EXPENDITURES:			
Debt service:			
Principal	1,497,000	17,322,000	(15,825,000)
Interest and fees	<u>1,002,279</u>	<u>1,314,073</u>	<u>(311,794)</u>
Total expenditures	<u>2,499,279</u>	<u>18,636,073</u>	<u>(16,136,794)</u>
OTHER FINANCING SOURCES:			
Proceeds from issuance of debt	-	14,125,000	14,125,000
Premium on issuance of debt	<u>-</u>	<u>2,130,092</u>	<u>2,130,092</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>113,702</u>	<u>\$ 113,702</u>
FUND BALANCES:			
Beginning of year		<u>641,665</u>	
End of year		<u>\$ 755,367</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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



City of San Leandro
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2017

	Special Revenue Funds				
	Affordable Housing Asset Fund	Street/ Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking
ASSETS					
Cash and investments	\$ 1,225,460	\$ 1,592,363	\$ 441,020	\$ 2,263,902	\$ 149
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	20,468	67,306	629,798	2,547	7,701
Federal, State, and local grants	-	-	-	-	-
Interest	2,548	1,852	631	2,910	-
Special assessments	-	-	-	-	-
Loans	441,042	-	-	-	-
Total Assets	\$ 1,689,518	\$ 1,661,521	\$ 1,071,449	\$ 2,269,359	\$ 7,850
LIABILITIES					
Accounts payable	\$ 966	\$ 112,370	\$ -	\$ 740	\$ 8,171
Due to other funds	-	-	-	-	127,224
Total Liabilities	966	112,370	-	740	135,395
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - grants receivable	-	-	-	-	-
Total Deferred Inflow of resources	-	-	-	-	-
Fund Balances:					
Restricted	1,688,552	1,549,151	1,071,449	2,268,619	-
Unassigned	-	-	-	-	(127,545)
Total Fund Balances	1,688,552	1,549,151	1,071,449	2,268,619	(127,545)
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 1,689,518	\$ 1,661,521	\$ 1,071,449	\$ 2,269,359	\$ 7,850

(Continued)

Special Revenue Funds

Special Gas Tax	Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ 1,549,625	\$ 355,472	\$ 279,375	\$ 698,166	\$ 924,983	\$ 13,032	\$ -	\$ 2,008,943
-	-	-	-	-	-	-	-
1,709	497	45,408	63,262	1,940	16	283,504	23,858
-	-	-	-	-	-	2,874,527	266,730
2,421	513	-	1,148	1,290	20	-	2,728
-	35,416	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,553,755</u>	<u>\$ 391,898</u>	<u>\$ 324,783</u>	<u>\$ 762,576</u>	<u>\$ 928,213</u>	<u>\$ 13,068</u>	<u>\$ 3,158,031</u>	<u>\$ 2,302,259</u>
\$ 31,319	\$ -	\$ 19,847	\$ 406	\$ 2,062	\$ -	\$ 116,881	\$ 15,364
-	-	-	-	-	-	790,053	-
<u>31,319</u>	<u>-</u>	<u>19,847</u>	<u>406</u>	<u>2,062</u>	<u>-</u>	<u>906,934</u>	<u>15,364</u>
-	-	-	-	-	-	2,840,666	-
-	-	-	-	-	-	2,840,666	-
1,522,436	391,898	304,936	762,170	926,151	13,068	-	2,286,895
-	-	-	-	-	-	(589,569)	-
<u>1,522,436</u>	<u>391,898</u>	<u>304,936</u>	<u>762,170</u>	<u>926,151</u>	<u>13,068</u>	<u>(589,569)</u>	<u>2,286,895</u>
<u>\$ 1,553,755</u>	<u>\$ 391,898</u>	<u>\$ 324,783</u>	<u>\$ 762,576</u>	<u>\$ 928,213</u>	<u>\$ 13,068</u>	<u>\$ 3,158,031</u>	<u>\$ 2,302,259</u>

(Continued)

(Continued)

Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total Non-Major Governmental Funds
Business Improvement District	Public Education and Government	Special Assessment District	GHAD	
\$ 226,964	\$ 557,183	\$ 121	\$ 14,148	\$14,580,199
-	-	-	-	-
643	48,650	-	-	1,515,919
-	-	-	-	3,141,257
255	750	-	-	20,753
96	-	-	-	35,512
-	-	-	-	441,042
<u>\$ 227,958</u>	<u>\$ 606,583</u>	<u>\$ 121</u>	<u>\$ 14,148</u>	<u>\$ 19,734,682</u>
\$ -	\$ 2,108	\$ -	\$ -	\$ 1,124,230
-	-	-	-	917,277
-	2,108	-	-	2,041,507
-	-	-	-	2,840,666
-	-	-	-	2,840,666
227,958	604,475	121	14,148	15,569,623
-	-	-	-	(717,114)
227,958	604,475	121	14,148	14,852,509
<u>\$ 227,958</u>	<u>\$ 606,583</u>	<u>\$ 121</u>	<u>\$ 14,148</u>	<u>\$ 19,734,682</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, 2017

	Special Revenue Funds				
	Affordable Housing Asset Fund	Street/Traffic Improvements	Park Development Fee	Underground Utility Fee	Parking
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	369,848	-	-	249,154
Service Charges	-	-	-	421,034	-
Intergovernmental	-	-	-	-	-
Use of money and property	51,058	1,367	(4,160)	2,416	149
Other	163,691	-	719,540	-	-
Total Revenues	214,749	371,215	715,380	423,450	249,303
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Engineering and transportation	-	186,610	-	19,912	262,341
Recreation and culture	-	-	92,948	-	-
Community development	746,831	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total Expenditures	746,831	186,610	92,948	19,912	262,341
REVENUES OVER (UNDER) EXPENDITURES	(532,082)	184,605	622,432	403,538	(13,038)
OTHER FINANCING SOURCES:					
Transfer in	-	280,000	-	-	-
Total Other Financing Sources	-	280,000	-	-	-
NET CHANGE IN FUND BALANCES	(532,082)	464,605	622,432	403,538	(13,038)
FUND BALANCES:					
Beginning of year	2,220,634	1,084,546	449,017	1,865,081	(114,507)
End of year	<u>\$ 1,688,552</u>	<u>\$ 1,549,151</u>	<u>\$ 1,071,449</u>	<u>\$ 2,268,619</u>	<u>\$ (127,545)</u>

(Continued)

Special Revenue Funds

Special Gas Tax	Cherrywood Maintenance District	Measure B Paratransit	Asset Seizure	Heron Bay	Proposition IB Local Streets & Roads	Special Grants	Measure B
\$ -	\$ 23,563	\$ -	\$ -	\$ 354,457	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,662,964	-	293,885	120,107	-	-	3,095,173	1,843,491
(757)	420	-	570	1,122	32	-	8,321
4,098	-	-	-	-	-	30,140	110,768
<u>1,666,305</u>	<u>23,983</u>	<u>293,885</u>	<u>120,677</u>	<u>355,579</u>	<u>32</u>	<u>3,125,313</u>	<u>1,962,580</u>
-	-	-	154,881	-	-	426,747	-
2,217,320	196	254,667	-	244,266	-	334,930	1,916,052
-	-	-	-	-	-	1,499,033	-
-	-	-	-	-	-	246,509	-
-	-	-	-	-	-	-	-
-	-	-	-	3,400	-	-	-
<u>2,217,320</u>	<u>196</u>	<u>254,667</u>	<u>154,881</u>	<u>247,666</u>	<u>-</u>	<u>2,507,219</u>	<u>1,916,052</u>
<u>(551,015)</u>	<u>23,787</u>	<u>39,218</u>	<u>(34,204)</u>	<u>107,913</u>	<u>32</u>	<u>618,094</u>	<u>46,528</u>
<u>238,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>238,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(313,015)</u>	<u>23,787</u>	<u>39,218</u>	<u>(34,204)</u>	<u>107,913</u>	<u>32</u>	<u>618,094</u>	<u>46,528</u>
<u>1,835,451</u>	<u>368,111</u>	<u>265,718</u>	<u>796,374</u>	<u>818,238</u>	<u>13,036</u>	<u>(1,207,663)</u>	<u>2,240,367</u>
<u>\$ 1,522,436</u>	<u>\$ 391,898</u>	<u>\$ 304,936</u>	<u>\$ 762,170</u>	<u>\$ 926,151</u>	<u>\$ 13,068</u>	<u>\$ (589,569)</u>	<u>\$ 2,286,895</u>

(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, 2017

	Special Revenue Funds				
	Measure BB	Measure F	C.D.B.G.	HOME	Housing In-Lieu
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	95,001
Service Charges	-	-	-	-	-
Intergovernmental	1,503,904	428,403	720,212	84,375	-
Use of money and property	7,561	2,344	-	1,312	264
Other	-	-	-	12,267	-
Total Revenues	1,511,465	430,747	720,212	97,954	95,265
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Engineering and transportation	2,017,634	495,835	-	-	-
Recreation and culture	-	-	-	-	-
Community development	-	-	506,137	262,618	-
Debt service:					
Principal	-	-	131,000	-	-
Interest and fees	-	-	67,233	-	-
Total Expenditures	2,017,634	495,835	704,370	262,618	-
REVENUES OVER (UNDER) EXPENDITURES	(506,169)	(65,088)	15,842	(164,664)	95,265
OTHER FINANCING SOURCES:					
Transfer in	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(506,169)	(65,088)	15,842	(164,664)	95,265
FUND BALANCES:					
Beginning of year	1,400,125	636,938	120,596	306,873	97,878
End of year	<u>\$ 893,956</u>	<u>\$ 571,850</u>	<u>\$ 136,438</u>	<u>\$ 142,209</u>	<u>\$ 193,143</u>

(Continued)

Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
Business Improvement District	Public Education and Government	Special Assessment District	GHAD	Total Nonmajor Governmental Funds
\$ -	\$ 196,243	\$ -	\$ -	\$ 574,263
367,921	-	-	-	1,081,924
-	-	-	-	421,034
99,373	-	-	-	9,851,887
491	1,151	-	-	73,661
-	-	-	-	1,040,504
467,785	197,394	-	-	13,043,273
-	-	-	-	581,628
-	-	-	-	7,949,763
-	-	-	-	1,591,981
600,000	69,003	-	-	2,431,098
-	-	-	-	131,000
-	-	-	-	70,633
600,000	69,003	-	-	12,756,103
(132,215)	128,391	-	-	287,170
75,000	-	-	-	593,000
75,000	-	-	-	593,000
(57,215)	128,391	-	-	880,170
285,173	476,084	121	14,148	13,972,339
\$ 227,958	\$ 604,475	\$ 121	\$ 14,148	\$ 14,852,509

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Affordable Housing Special Revenue Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Use of money and property	\$ 20,000	\$ 51,058	\$ 31,058
Other	165,000	163,691	(1,309)
Total Revenues	185,000	214,749	29,749
EXPENDITURES:			
Current:			
Community development	743,239	746,831	(3,592)
Total Expenditures	743,239	746,831	(3,592)
NET CHANGE IN FUND BALANCES	\$ (558,239)	(532,082)	\$ 26,157
FUND BALANCES:			
Beginning of year		2,220,634	
End of year		<u>\$ 1,688,552</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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Licenses and permits	\$ 80,000	\$ 369,848	\$ 289,848
Use of money and property	7,000	1,367	(5,633)
Total Revenues	87,000	371,215	284,215
EXPENDITURES:			
Current:			
Engineering and transportation	1,202,235	186,610	1,015,625
Total Expenditures	1,202,235	186,610	1,015,625
OTHER FINANCING SOURCES:			
Transfers in	-	280,000	280,000
NET CHANGE IN FUND BALANCES	\$ (1,115,235)	464,605	\$ (451,410)
FUND BALANCES:			
Beginning of year		1,084,546	
End of year		\$ 1,549,151	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Use of money and property	\$ 3,000	\$ (4,160)	\$ (7,160)
Other	25,000	719,540	694,540
Total Revenues	28,000	715,380	687,380
EXPENDITURES:			
Current:			
Recreation and culture	94,591	92,948	1,643
Total Expenditures	94,591	92,948	1,643
NET CHANGE IN FUND BALANCES	\$ (66,591)	622,432	\$ 689,023
FUND BALANCES:			
Beginning of year		449,017	
End of year		\$ 1,071,449	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Use of money and property	\$ 3,000	\$ 2,416	\$ (584)
Charges for current services	70,000	421,034	351,034
Total Revenues	73,000	423,450	350,450
EXPENDITURES:			
Current:			
Engineering and transportation	1,935,665	19,912	1,915,753
Total Expenditures	1,935,665	19,912	1,915,753
NET CHANGE IN FUND BALANCES	\$ (1,862,665)	403,538	\$ 2,266,203
FUND BALANCES:			
Beginning of year		1,865,081	
End of year		\$ 2,268,619	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Licenses and permits	\$ 249,660	\$ 249,154	\$ (506)
Use of money and property	-	149	149
Total revenues	<u>249,660</u>	<u>249,303</u>	<u>(357)</u>
EXPENDITURES:			
Current:			
Engineering and transportation	<u>259,458</u>	<u>262,341</u>	<u>(2,883)</u>
Total expenditures	<u>259,458</u>	<u>262,341</u>	<u>(2,883)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (9,798)</u>	<u>(13,038)</u>	<u>\$ (3,240)</u>
FUND BALANCES:			
Beginning of year		<u>(114,507)</u>	
End of year		<u>\$ (127,545)</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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,809,948	\$ 1,662,964	\$ (146,984)
Use of money and property	4,000	(757)	(4,757)
Other	-	4,098	4,098
Total revenues	1,813,948	1,666,305	(147,643)
EXPENDITURES:			
Current:			
Engineering and transportation	3,558,851	2,217,320	1,341,531
Total expenditures	3,558,851	2,217,320	1,341,531
OTHER FINANCING SOURCES:			
Transfers in	238,000	238,000	-
NET CHANGE IN FUND BALANCES	\$ (1,506,903)	\$ (313,015)	\$ 1,193,888
FUND BALANCES:			
Beginning of year		1,835,451	
End of year		\$ 1,522,436	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Property and other taxes	\$ 23,343	\$ 23,563	\$ 220
Use of money and property	500	420	(80)
Total revenues	23,843	23,983	140
EXPENDITURES:			
Current:			
Engineering and transportation	-	196	(196)
Total expenditures	-	196	(196)
NET CHANGE IN FUND BALANCES	\$ 23,843	23,787	\$ (56)
FUND BALANCES:			
Beginning of year		368,111	
End of year		\$ 391,898	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 293,885	\$ 293,885
Total revenues	<u>-</u>	<u>293,885</u>	<u>293,885</u>
EXPENDITURES:			
Current:			
Engineering and transportation	<u>548,918</u>	<u>254,667</u>	<u>294,251</u>
Total expenditures	<u>548,918</u>	<u>254,667</u>	<u>294,251</u>
REVENUES OVER (UNDER) EXPENDITURES:	<u>(548,918)</u>	<u>39,218</u>	<u>(366)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (548,918)</u>	<u>39,218</u>	<u>\$ 588,136</u>
FUND BALANCES:			
Beginning of year		<u>265,718</u>	
End of year		<u>\$ 304,936</u>	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Asset Seizure Special Revenue Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 70,000	\$ 120,107	\$ 50,107
Use of money and property	1,500	570	(930)
Total revenues	<u>71,500</u>	<u>120,677</u>	<u>49,177</u>
EXPENDITURES:			
Current:			
Public safety	<u>159,505</u>	<u>154,881</u>	<u>4,624</u>
Total expenditures	<u>159,505</u>	<u>154,881</u>	<u>4,624</u>
NET CHANGE IN FUND BALANCES	<u>\$ (88,005)</u>	<u>(34,204)</u>	<u>\$ 53,801</u>
FUND BALANCES:			
Beginning of year		<u>796,374</u>	
End of year		<u>\$ 762,170</u>	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Heron Bay Special Revenue Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Property and other taxes	\$ 354,030	\$ 354,457	\$ 427
Use of money and property	1,500	1,122	(378)
Total revenues	355,530	355,579	49
EXPENDITURES:			
Current:			
Engineering and transportation	767,044	244,266	522,778
Debt service:			
Interest and fees	-	3,400	(3,400)
Total expenditures	767,044	247,666	519,378
NET CHANGE IN FUND BALANCES	\$ (411,514)	107,913	\$ (519,427)
FUND BALANCES:			
Beginning of year		818,238	
End of year		\$ 926,151	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Use of money and property	\$ -	\$ 32	\$ 32
Total revenues	<u>-</u>	<u>32</u>	<u>32</u>
EXPENDITURES:			
Current:			
Engineering and transportation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>32</u>	<u>\$ 32</u>
FUND BALANCES:			
Beginning of year		<u>13,036</u>	
End of year		<u>\$ 13,068</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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,083,778	\$ 3,095,173	\$ 2,011,395
Other	30,500	30,140	(360)
Total revenues	<u>1,114,278</u>	<u>3,125,313</u>	<u>2,011,035</u>
EXPENDITURES:			
Current:			
Public safety	276,135	426,747	(150,612)
Engineering and transportation	1,973,623	334,930	1,638,693
Community development	444,532	246,509	198,023
Recreation and culture	1,830,647	1,499,033	331,614
Total expenditures	<u>4,524,937</u>	<u>2,507,219</u>	<u>2,017,718</u>
REVENUES OVER (UNDER) EXPENDITURES:	<u>(3,410,659)</u>	<u>618,094</u>	<u>(6,683)</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (3,410,659)</u></u>	<u><u>618,094</u></u>	<u><u>\$ 4,028,753</u></u>
FUND BALANCES:			
Beginning of year		<u>(1,207,663)</u>	
End of year		<u><u>\$ (589,569)</u></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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,667,873	\$ 1,843,491	\$ 175,618
Use of money and property	7,000	8,321	1,321
Other	30,000	110,768	80,768
Total revenues	1,704,873	1,962,580	257,707
EXPENDITURES:			
Current:			
Recreation and culture	548,918	1,916,052	(1,367,134)
Total expenditures	548,918	1,916,052	(1,367,134)
NET CHANGE IN FUND BALANCES	1,155,955	46,528	\$ (1,109,427)
FUND BALANCES:			
Beginning of year		2,240,367	
End of year		\$ 2,286,895	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Measure BB Special Revenue Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 4,490,878	\$ 1,503,904	\$ (2,986,974)
Use of money and property	7,000	7,561	561
Total revenues	4,497,878	1,511,465	(2,986,413)
EXPENDITURES:			
Current:			
Engineering and transportation	6,735,258	2,017,634	4,717,624
Total expenditures	6,735,258	2,017,634	4,717,624
NET CHANGE IN FUND BALANCES	\$ (2,237,380)	(506,169)	\$ (7,704,037)
FUND BALANCES:			
Beginning of year		1,400,125	
End of year		\$ 893,956	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 404,938	\$ 428,403	\$ 23,465
Use of money and property	1,000	2,344	1,344
Total revenues	405,938	430,747	24,809
EXPENDITURES:			
Current:			
Engineering and transportation	893,450	495,835	397,615
Total expenditures	893,450	495,835	397,615
NET CHANGE IN FUND BALANCES	\$ (487,512)	(65,088)	\$ 422,424
FUND BALANCES:			
Beginning of year		636,938	
End of year		<u>\$ 571,850</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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 628,306	\$ 720,212	\$ 91,906
Total revenues	<u>628,306</u>	<u>720,212</u>	<u>91,906</u>
EXPENDITURES:			
Current:			
Community development	907,912	506,137	401,775
Debt service:			
Principal	131,000	131,000	-
Interest and fees	<u>67,233</u>	<u>67,233</u>	<u>-</u>
Total expenditures	<u>1,106,145</u>	<u>704,370</u>	<u>401,775</u>
NET CHANGE IN FUND BALANCES	<u>\$ (477,839)</u>	<u>15,842</u>	<u>\$ 493,681</u>
FUND BALANCES:			
Beginning of year		<u>120,596</u>	
End of year		<u>\$ 136,438</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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Intergovernmental	\$ 154,000	\$ 84,375	\$ (69,625)
Use of money and property	1,000	1,312	312
Other	30,000	12,267	(17,733)
Total revenues	185,000	97,954	(87,046)
EXPENDITURES:			
Current:			
Community development	463,711	262,618	201,093
Total expenditures	463,711	262,618	201,093
NET CHANGE IN FUND BALANCES	\$ (278,711)	(164,664)	\$ 114,047
FUND BALANCES:			
Beginning of year		306,873	
End of year		\$ 142,209	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Licenses and grants	\$ -	\$ 95,001	\$ 95,001
Use of money and property	-	264	264
Total revenues	-	95,265	95,265
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>95,265</u>	<u>\$ 95,265</u>
FUND BALANCES:			
Beginning of year		<u>97,878</u>	
End of year		<u>\$ 193,143</u>	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Business Improvement District Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Licenses and permits	\$ 316,200	\$ 367,921	\$ 51,721
Intergovernmental	300,000	99,373	(200,627)
Use of money and property	-	491	491
Total revenues	616,200	467,785	(148,415)
EXPENDITURES:			
Current:			
Community development	346,920	600,000	(253,080)
Total expenditures	346,920	600,000	(253,080)
OTHER FINANCING SOURCES:			
Transfers in	75,000	75,000	-
NET CHANGE IN FUND BALANCES	\$ 344,280	(57,215)	\$ (401,495)
FUND BALANCES:			
Beginning of year		285,173	
End of year		<u>\$ 227,958</u>	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Public Education and Government Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Property and other taxes	\$ 175,000	\$ 196,243	\$ 21,243
Use of money and property	450	1,151	701
Total revenues	<u>175,450</u>	<u>197,394</u>	<u>21,944</u>
EXPENDITURES:			
Current:			
Community development	<u>62,159</u>	<u>69,003</u>	<u>(6,844)</u>
Total expenditures	<u>62,159</u>	<u>69,003</u>	<u>(6,844)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 113,291</u>	<u>128,391</u>	<u>\$ 15,100</u>
FUND BALANCES:			
Beginning of year		<u>476,084</u>	
End of year		<u>\$ 604,475</u>	

City of San Leandro
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Non Major Governmental Fund
Special Assessment District Debt Service Fund
For the year ended June 30, 2017

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

City of San Leandro**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -****Non Major Governmental Fund****San Leandro Hillside Geological Abatement Fund (GHAD) Capital Projects Fund****For the year ended June 30, 2017**

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

NON-MAJOR ENTERPRISE FUNDS

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

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

City of San Leandro
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2017

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
ASSETS			
Current Assets:			
Cash and investments	\$ 103,450	\$ 1,503,181	\$ 1,606,631
Receivables:			
Accounts	9,422	62,097	71,519
Interest	-	1,827	1,827
Total current assets	112,872	1,567,105	1,679,977
Noncurrent assets:			
Capital assets:			
Depreciable	15,590	4,873	20,463
Less accumulated depreciation	(123)	(442)	(565)
Total noncurrent assets	15,467	4,431	19,898
Total Assets	128,339	1,571,536	1,699,875
LIABILITIES			
Current Liabilities:			
Accounts payable	11,848	44,422	56,270
Compensated absences - due in one year	4,623	7,612	12,235
Total current liabilities	16,471	52,034	68,505
Non-current Liabilities:			
Compensated absences - due in more than one year	46,744	76,962	123,706
Total Liabilities	63,215	128,996	192,211
NET POSITION			
Net investment in capital asset	15,467	4,431	19,898
Unrestricted	49,657	1,438,109	1,487,766
Total Net Position	\$ 65,124	\$ 1,442,540	\$ 1,507,664

City of San Leandro
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2017

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 1,081,116	\$ 353,721	\$ 1,434,837
Licenses and permits	-	340,408	340,408
Other operating revenue	3,006	25,735	28,741
Total operating revenues	1,084,122	719,864	1,803,986
OPERATING EXPENSES			
Salaries and benefits	633,178	654,582	1,287,760
Contractual and other services	247,742	133,013	380,755
Material and supplies	15,652	21,089	36,741
Other operating costs	209,316	256,759	466,075
Depreciation	123	442	565
Total operating expenses	1,106,011	1,065,885	2,171,896
OPERATING INCOME (LOSS)	(21,889)	(346,021)	(367,910)
NONOPERATING REVENUES (EXPENSES):			
Investment income	(326)	(1,715)	(2,041)
Intergovernmental	-	234,162	234,162
Total Nonoperating Revenues (Expenses)	(326)	232,447	232,121
INCOME (LOSS) BEFORE TRANSFERS:	(22,215)	(113,574)	(135,789)
Transfers in	-	265,564	265,564
Change in net position	(22,215)	151,990	129,775
NET POSITION:			
Beginning of year	87,339	1,290,550	1,377,889
End of year	\$ 65,124	\$ 1,442,540	\$ 1,507,664

City of San Leandro
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2017

	Storm Water Utility	Environmental Services	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,085,340	\$ 736,523	\$ 1,821,863
Cash payments to suppliers and service providers	(476,647)	(409,836)	(886,483)
Cash payments to employees for services	(659,652)	(698,180)	(1,357,832)
Net cash provided (used) by operating activities	(50,959)	(371,493)	(422,452)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue received	-	234,162	234,162
Acquisition of capital assets	(15,590)	(4,873)	(20,463)
Transfers in from other funds	-	265,564	265,564
Net cash provided (used) by noncapital financing activities	(15,590)	494,853	479,263
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	(80)	799	719
Net cash provided (used) by investing activities	(80)	799	719
Net increase (decrease) in cash and cash equivalents	(66,629)	124,159	57,530
CASH AND CASH EQUIVALENTS:			
Beginning of year	170,079	1,379,022	1,549,101
End of year	<u>\$ 103,450</u>	<u>\$ 1,503,181</u>	<u>\$ 1,606,631</u>
RECONCILIATION OR OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (21,889)	\$ (346,021)	\$ (367,910)
Depreciation	123	442	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	1,218	16,659	17,877
(Decrease) increase in accounts payable	(3,937)	1,025	(2,912)
(Decrease) increase in compensated absences	(26,474)	(43,598)	(70,072)
Total adjustments	(50,959)	(371,493)	(422,452)
Net cash provided (used) by operating activities	\$ (50,959)	\$ (371,493)	\$ (422,452)

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, 2017

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
ASSETS					
Cash and investments	\$ 2,243,134	\$ 1,483,169	\$ 8,077,518	\$ 203,310	\$ 12,007,131
Receivables:					
Accounts	2,644	1,653	294,124	407	298,828
Interest	3,087	2,187	11,195	1,083	17,552
Inventory	38,576	50,652	-	166,040	255,268
Total current assets	2,287,441	1,537,661	8,382,837	370,840	12,578,779
Capital assets:					
Depreciable	53,595	5,856,839	-	9,328,981	15,239,415
Less accumulated depreciation	(11,593)	(5,658,028)	-	(5,878,628)	(11,548,249)
Total Net capital assets	42,002	198,811	-	3,450,353	3,691,166
Total noncurrent assets	42,002	198,811	-	3,450,353	3,691,166
Total Assets	2,329,443	1,736,472	8,382,837	3,821,193	16,269,945
LIABILITIES					
Current Liabilities:					
Accounts payable	158,726	118,561	35,924	97,524	410,735
Claims and judgments - due in one year	-	-	1,170,645	-	1,170,645
Compensated absences payable - due in one year	2,470	9,480	89	1,091	13,130
Long-term debt - Due within one year	-	-	-	240,353	240,353
Total current liabilities	161,196	128,041	1,206,658	338,968	1,834,863
Noncurrent Liabilities:					
Claims and judgments - due in more than one year	-	-	4,878,424	-	4,878,424
Compensated absences - due in more than one year	24,978	95,852	898	11,032	132,760
Total noncurrent liabilities	24,978	95,852	4,879,322	11,032	5,011,184
Total Liabilities	186,174	223,893	6,085,980	350,000	6,846,047
NET POSITION					
Net investment in capital assets	42,002	198,811	-	3,210,000	3,450,813
Unrestricted	2,101,267	1,313,768	2,296,857	261,193	5,973,085
Total Net Position	\$ 2,143,269	\$ 1,512,579	\$ 2,296,857	\$ 3,471,193	\$ 9,423,898

City of San Leandro
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2017

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
OPERATING REVENUES:					
Service charges	\$ 3,463,040	\$ 3,653,866	\$ 3,603,030	\$ 2,135,337	\$ 12,855,273
Other operating revenues	2,800	-	204,630	45,126	252,556
Total Operating Revenues	3,465,840	3,653,866	3,807,660	2,180,463	13,107,829
OPERATING EXPENSES:					
Salaries and benefits	957,223	1,698,612	211,480	567,945	3,435,260
Contractual and other services	1,507,415	1,456,936	9,704,853	248,789	12,917,993
Materials and supplies	154,236	38,563	50	413,895	606,744
Depreciation	1,682	181,560	-	608,079	791,321
Other operating costs	347,173	735,269	100,273	420,310	1,603,025
Total Operating Expenses	2,967,729	4,110,940	10,016,656	2,259,018	19,354,343
OPERATING INCOME (LOSS)	498,111	(457,074)	(6,208,996)	(78,555)	(6,246,514)
NONOPERATING REVENUES (EXPENSES)					
Interest income	421	(1,471)	(40,854)	(4,084)	(45,988)
Interest expense	-	-	-	(9,136)	(9,136)
Total nonoperating revenues (expenses)	421	(1,471)	(40,854)	(13,220)	(55,124)
INCOME BEFORE TRANSFERS	498,532	(458,545)	(6,249,850)	(91,775)	(6,301,638)
TRANSFERS:					
Transfers in	-	60,000	6,200,000	-	6,260,000
Change in net position	498,532	(398,545)	(49,850)	(91,775)	(41,638)
NET POSITION:					
Beginning of the year	1,644,737	1,911,124	2,346,707	3,562,968	9,465,536
End of the year	\$ 2,143,269	\$ 1,512,579	\$ 2,296,857	\$ 3,471,193	\$ 9,423,898

City of San Leandro
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2017

	Building Maintenance	Information Management Services	Self - Insurance	Equipment Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 156	\$ (1,653)	\$ 195,322	\$ 64,950	\$ 258,775
Receipts from interfund charges	3,463,040	3,613,866	3,603,030	2,135,337	12,815,273
Cash payments to suppliers and service providers	(2,062,503)	(2,242,805)	(9,885,387)	(1,199,551)	(15,390,246)
Cash payments to employees for services	(968,031)	(1,674,020)	(216,639)	(634,281)	(3,492,971)
Net cash provided (used) by operating activities	432,662	(304,612)	(6,303,674)	366,455	(5,809,169)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	-	60,000	6,200,000	-	6,260,000
Net cash provided (used) by noncapital financing activities	-	60,000	6,200,000	-	6,260,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(9,685)	(23,208)	-	(999,274)	(1,032,167)
Principal paid on capital debt	-	-	-	(235,829)	(235,829)
Net cash provided (used) by capital and related financing activities	(9,685)	(23,208)	-	(1,235,103)	(1,267,996)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	779	(1,209)	(40,315)	(2,277)	(43,022)
Interest expense	-	-	-	(9,136)	(9,136)
Cash Flows from Investing Activities	779	(1,209)	(40,315)	(11,413)	(52,158)
Net Cash Flows	423,756	(269,029)	(143,989)	(880,061)	(869,323)
CASH AND CASH EQUIVALENTS:					
Cash and investments at beginning of year	1,819,378	1,752,198	8,221,507	1,083,371	12,876,454
Cash and investments at end of year	<u>\$ 2,243,134</u>	<u>\$ 1,483,169</u>	<u>\$ 8,077,518</u>	<u>\$ 203,310</u>	<u>\$ 12,007,131</u>
RECONCILIATION OF OPERATING INCOME (LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 498,111	\$ (457,074)	\$ (6,208,996)	\$ (78,555)	\$ (6,246,514)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,682	181,560	-	608,079	791,321
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(2,644)	(1,653)	(9,308)	19,824	6,219
(Increase) decrease in inventory	(27,361)	(40,000)	-	(49,291)	(116,652)
(Decrease) increase in accounts payable	(26,318)	(12,037)	(32,496)	(67,266)	(138,117)
(Decrease) increase in claims and judgments payable	-	-	(47,715)	-	(47,715)
(Decreased) increase in compensated absences	(10,808)	24,592	(5,159)	(66,336)	(57,711)
Total cash provided (used) by operating activities	\$ 432,662	\$ (304,612)	\$ (6,303,674)	\$ 366,455	\$ (5,809,169)

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, 2017

	Deposits	Cherrywood	Total
ASSETS			
Cash and investments	\$ 1,878,236	\$ 1,022,443	\$ 2,900,679
Cash and investments with fiscal agents	-	449,160	449,160
Accounts receivable	7,013	2,070	9,083
Interest receivable	-	522	522
Total Assets	\$ 1,885,249	\$ 1,474,195	\$ 3,359,444
LIABILITIES			
Accounts payable	\$ 120,248	\$ -	\$ 120,248
Deposits payable	1,765,001	-	1,765,001
Due to bondholders	-	1,474,195	1,474,195
Total Liabilities	\$ 1,885,249	\$ 1,474,195	\$ 3,359,444

City of San Leandro
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Deposits</u>				
Assets:				
Cash and investments	\$ 1,700,068	\$ 178,168	\$ -	\$ 1,878,236
Accounts receivable	8,536	-	1,523	7,013
Total assets	\$ 1,708,604	\$ 178,168	\$ 1,523	\$ 1,885,249
Liabilities:				
Accounts payable	\$ 100,110	\$ 20,138	\$ -	\$ 120,248
Deposits payable	1,608,494	156,507	-	1,765,001
Total liabilities	\$ 1,708,604	\$ 176,645	\$ -	\$ 1,885,249
<u>Cherrywood</u>				
Assets:				
Cash and investments	\$ 1,016,019	\$ 6,424	\$ -	\$ 1,022,443
Cash and investments with fiscal agent	448,960	200	-	449,160
Accounts receivable	1,464	606	-	2,070
Interest receivable	618	-	96	522
Total assets	\$ 1,467,061	\$ 7,230	\$ 96	\$ 1,474,195
Liabilities:				
Due to bondholders	\$ 1,467,061	\$ 7,230	\$ 96	\$ 1,474,195
Total liabilities	\$ 1,467,061	\$ 7,230	\$ 96	\$ 1,474,195
<u>All Agency Funds</u>				
Assets:				
Cash and investments	\$ 2,716,087	\$ 184,592	\$ -	\$ 2,900,679
Cash and investments with fiscal agent	448,960	200	-	449,160
Accounts receivable	10,000	606	1,523	9,083
Interest receivable	618	-	96	522
Total assets	\$ 3,175,665	\$ 185,398	\$ 1,619	\$ 3,359,444
Liabilities:				
Accounts Payable	\$ 100,110	\$ 20,138	\$ -	\$ 120,248
Deposits payable	1,608,494	156,507	-	1,765,001
Due to bondholders	1,467,061	7,230	96	1,474,195
Total liabilities	\$ 3,175,665	\$ 183,875	\$ 96	\$ 3,359,444

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	159
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	167
These schedules contain information to help the reader assess the city's most significant local revenue sources, sales tax and property tax.	
Debt Capacity	179
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.	
Demographic and Economic Information	187
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	191
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	



FINANCIAL TRENDS

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

Net Position by Component Unit - Last Ten Fiscal Years

Changes in Net Position - Last Ten Fiscal Years

Program Revenues by Function / Program - Last Ten Fiscal Years

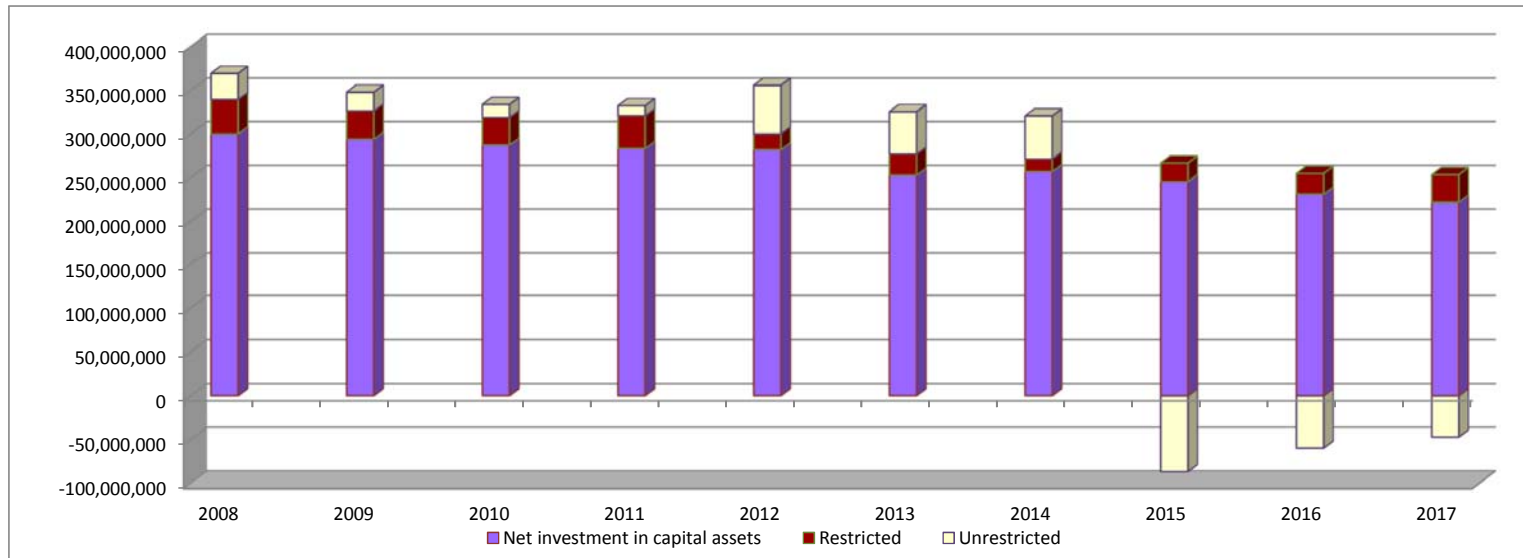
Fund Balances of Governmental Funds - Last Ten Fiscal Years

General Fund Revenue by Source - Last Ten Fiscal Years

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



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



Governmental Activities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net investment in capital assets	288,812,935	281,144,018	267,302,013	256,542,629	251,252,877	219,701,797	225,401,873	212,967,616	200,560,064	190,556,178
Restricted	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626	23,680,435	31,647,662
Unrestricted	10,029,629	1,326,488	(2,174,696)	(3,737,046)	42,585,608	33,524,445	28,282,857	(98,955,552)	(77,776,029)	(67,544,332)
Total Governmental Activities Net Position	\$ 338,252,795	\$ 314,649,369	\$ 296,481,015	\$ 290,294,872	\$ 311,786,151	\$ 277,388,358	\$ 268,055,771	\$ 135,218,690	\$ 146,464,470	\$ 154,659,508
Business-Type Activities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net investment in capital assets	11,197,748	12,992,419	20,162,046	26,832,033	30,737,068	32,979,235	31,512,875	32,505,629	30,434,444	31,056,113
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	20,001,036	20,122,930	17,044,724	15,133,537	13,097,006	15,002,725	21,031,537	12,609,167	18,050,170	20,616,425
Total Business-Type Activities Net Position	\$ 31,198,784	\$ 33,115,349	\$ 37,206,770	\$ 41,965,570	\$ 43,834,074	\$ 47,981,960	\$ 52,544,412	\$ 45,114,796	\$ 48,484,614	\$ 51,672,538
Primary government	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net investment in capital assets	300,010,683	294,136,437	287,464,059	283,374,662	281,989,945	252,681,032	256,914,748	245,473,245	230,994,508	221,612,291
Restricted	39,410,231	32,178,863	31,353,698	37,489,289	17,947,666	24,162,116	14,371,041	21,206,626	23,680,435	31,647,662
Unrestricted	30,030,665	21,449,418	14,870,028	11,396,491	55,682,614	48,527,170	49,314,394	(86,346,385)	(59,725,859)	(46,927,907)
Total Governmental Activities Net Position	\$ 369,451,579	\$ 347,764,718	\$ 333,687,785	\$ 332,260,442	\$ 355,620,225	\$ 325,370,318	\$ 320,600,183	\$ 180,333,486	\$ 194,949,084	\$ 206,332,046

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

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

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

Expenses:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 17,379,663	\$ 16,572,072	\$ 11,989,774	\$ 10,759,754	10,238,787	13,166,855	11,609,391	10,896,679	7,923,300	8,524,377
Public safety	44,061,645	44,229,183	45,063,334	45,936,832	43,574,011	45,465,294	47,180,237	47,989,126	52,944,433	54,510,194
Engineering & Transportation	16,292,698	15,101,806	18,209,182	22,720,292	23,903,746	25,662,305	31,712,176	30,566,925	31,476,280	28,124,152
Recreation & Culture	15,064,531	11,416,088	9,906,448	11,042,582	9,894,015	11,586,223	11,786,787	11,667,158	13,824,385	13,228,291
Community Development	15,725,787	28,119,209	24,202,918	17,541,521	8,178,377	4,904,402	5,389,381	5,704,907	6,840,393	8,134,895
Interest on long-term debt	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	2,548,119	2,097,257	2,156,400	1,764,322	2,218,025
Total governmental activities expenses	111,761,705	\$ 120,788,184	\$ 113,897,366	\$ 112,183,390	\$ 98,106,689	\$ 103,333,198	\$ 109,775,229	\$ 108,981,195	\$ 114,773,113	\$ 114,739,934
Business-type activities:										
Water Pollution Control	9,093,554	9,248,677	6,231,639	5,856,452	8,395,692	7,499,555	7,978,058	8,802,564	13,534,488	10,795,950
Shoreline	2,355,311	2,244,002	2,180,794	1,997,753	1,848,428	1,861,532	1,922,489	1,691,932	1,839,667	1,754,842
Storm Water Utility	896,951	993,330	886,379	844,604	919,998	978,816	1,078,252	1,105,054	1,212,469	1,106,011
Environmental Services	1,460,466	1,544,564	1,348,181	1,333,145	1,222,543	1,175,257	1,027,054	1,020,388	1,189,985	1,065,885
Total business-type activities expenses	13,806,282	14,030,573	10,646,993	10,031,954	12,386,661	11,515,160	12,005,853	12,619,938	17,776,609	14,722,688
Total primary government expenses	125,567,987	134,818,757	124,544,359	122,215,344	110,493,350	114,848,358	121,781,082	121,601,133	132,549,722	129,462,622
Program revenues:										
Governmental activities:										
General government										
Property taxes	26,200,221	27,654,817	27,087,224	26,720,790	22,357,186	17,631,582	18,514,127	18,898,038	20,044,219	20,858,027
Sales taxes	22,251,900	19,095,799	17,594,934	21,811,494	24,126,105	26,304,583	29,097,614	32,948,155	42,336,643	41,727,835
Franchise Fees	4,142,284	4,125,705	4,005,464	4,124,846	4,231,420	4,444,251	4,581,920	4,845,086	4,968,614	5,102,904
Utility Users Tax	10,420,171	10,103,090	9,783,055	9,932,893	9,968,546	9,888,123	10,157,762	10,359,050	10,807,581	10,975,234
Property Transfer Tax	2,924,656	2,870,441	2,297,145	2,528,604	2,981,685	2,956,419	3,282,026	4,112,030	4,460,568	5,459,316
911 Communication Access Tax			2,711,671	2,694,149	2,684,591	2,723,255	2,804,181	2,974,313	2,917,993	2,890,302
Other taxes	361,261	294,496	333,079	381,122	555,988	591,016	652,866	733,867	811,619	907,651
Motors Vehicle License Fees	320,508	278,615	242,416	506,280	42,294	44,112	36,768	35,936	-	-
Investment	3,836,259	3,025,658	1,419,378	1,300,123	1,098,406	919,213	1,255,043	1,191,893	1,882,764	1,560,277
Community Impact Reimbursement	-	-	3,100,000	-	-	-	-	-	-	-
Miscellaneous	657,731	1,597,574	599,189	1,158,044	988,126	962,356	514,851	825,082	4,225,123	1,702,501
Gain on sale of assets	-	-	-	20,914	3,353.00	393,741	16,196	6,902	7,060	3,004
Transfers	(182,509)	85,874	(67,942)	240,484	234,349	(72,135)	-	-	25,000	-
Charges for Service	20,126,325	15,971,619	12,568,443	17,062,792	12,200,726	13,735,756	14,989,867	16,063,276	16,552,308	16,956,990
Capital grants and contributions	9,303,323	8,590,057	10,830,576	6,581,532	11,416,356	7,216,114	10,009,842	10,516,591	11,421,781	9,456,976
Operating grants and contributions	5,836,232	3,490,973	4,224,429	3,783,171	5,585,461	5,672,929	4,529,539	8,038,949	5,557,620	5,333,955
Total Governmental activities program revenues	106,198,362	97,184,718	96,729,061	98,847,238	98,474,592	93,411,315	100,442,602	111,549,168	126,018,893	122,934,972
Business-type activities:										
Charges for services	14,832,288	14,275,135	13,716,608	14,267,658	14,895,604	14,813,211	15,635,395	16,878,752	15,991,142	16,858,465
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	243,304
Other taxes	342,189	296,184	233,880	257,977	323,430	360,246	417,231	477,190	520,321	629,411
Investment Earnings	1,616,038	928,796	454,893	167,407	141,980	209,659	264,904	259,724	425,834	179,432
Miscellaneous	431,887	532,897	265,091	338,196	418,969	207,795	250,775	268,689	4,234,130	-
Gain or loss on sale of assets	-	-	-	-	(1,290,470)	-	-	-	-	-
Transfers	182,509	(85,874)	67,942	(240,484)	(234,349)	72,135	-	-	(25,000)	-
Total Business activities program revenues	17,404,911	15,947,138	14,738,414	14,790,754	14,255,164	15,663,046	16,568,305	17,884,355	21,146,427	17,910,612
Total primary government program revenues	123,603,273	113,131,856	111,467,475	113,637,992	112,729,756	109,074,361	117,010,907	129,433,523	147,165,320	140,845,584
Extraordinary Items					21,123,375					
Net revenues (expenses):										
Governmental Activities	(5,563,343)	(23,603,466)	(17,168,305)	(13,336,152)	367,903	(9,921,883)	(9,332,627)	2,567,973	11,245,780	8,195,038
Business-type activities	3,598,629	1,916,565	4,091,421	4,758,800	1,868,503	4,147,886	4,562,452	5,264,417	3,369,818	3,187,924
Total net revenues (expenses)	\$ (1,964,714)	\$ (21,686,901)	\$ (13,076,884)	\$ (8,577,352)	\$ 2,236,406	\$ (5,773,997)	\$ (4,770,175)	\$ 7,832,390	\$ 14,615,598	\$ 11,382,962

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

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

Program / Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
General Government	\$ 5,208,888	\$ 4,871,544	\$ 5,342,619	\$ 5,242,934	\$ 7,367,750	\$ 7,436,918	\$ 7,310,491	\$ 7,887,476	\$ 10,326,562	\$ 8,550,928
Public Safety	6,038,357	5,111,223	3,475,388	3,423,176	4,585,001	4,482,346	3,749,814	3,623,194	3,897,568	3,801,944
Engineering and transportation	10,797,882	11,376,411	13,195,059	7,469,186	10,661,253	6,723,903	9,607,387	8,668,597	10,897,823	10,772,477
Recreation and culture	4,353,066	3,414,103	3,614,696	4,368,731	4,551,617	4,022,452	5,114,524	4,493,916	4,385,376	4,062,763
Community development	8,867,688	3,279,368	1,995,686	6,923,466	2,036,922	3,959,180	3,747,032	9,945,633	4,024,380	4,559,809
Interest on long-term debt	3,237,381	5,349,826	4,525,710	4,182,409	2,317,753	-	-	-	-	-
Subtotal governmental activities	<u>38,503,262</u>	<u>33,402,475</u>	<u>32,149,158</u>	<u>31,609,902</u>	<u>31,520,296</u>	<u>26,624,799</u>	<u>29,529,248</u>	<u>34,618,816</u>	<u>33,531,709</u>	<u>31,747,921</u>
Business-Type Activities										
Water Pollution Control Plant	11,016,298	10,445,163	10,081,964	10,478,066	11,189,362	11,266,178	11,961,374	12,996,465	12,467,570	13,068,979
Shoreline	2,134,271	2,062,949	1,941,119	1,944,513	1,968,839	1,846,750	1,928,280	2,038,388	1,702,955	1,994,642
Storm Water Utility	1,059,667	1,052,608	1,079,178	1,098,114	1,078,455	1,086,070	1,072,146	1,070,154	1,093,460	1,084,122
Environmental Services	622,052	714,415	614,347	746,965	658,948	614,213	673,595	773,745	727,157	954,026
Subtotal business-type activities	<u>14,832,288</u>	<u>14,275,135</u>	<u>13,716,608</u>	<u>14,267,658</u>	<u>14,895,604</u>	<u>14,813,211</u>	<u>15,635,395</u>	<u>16,878,752</u>	<u>15,991,142</u>	<u>17,101,769</u>
Total primary government	<u>\$ 53,335,550</u>	<u>\$ 47,677,610</u>	<u>\$ 45,865,766</u>	<u>\$ 45,877,560</u>	<u>\$ 46,415,900</u>	<u>\$ 41,438,010</u>	<u>\$ 45,164,643</u>	<u>\$ 51,497,568</u>	<u>\$ 49,522,851</u>	<u>\$ 48,849,690</u>

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

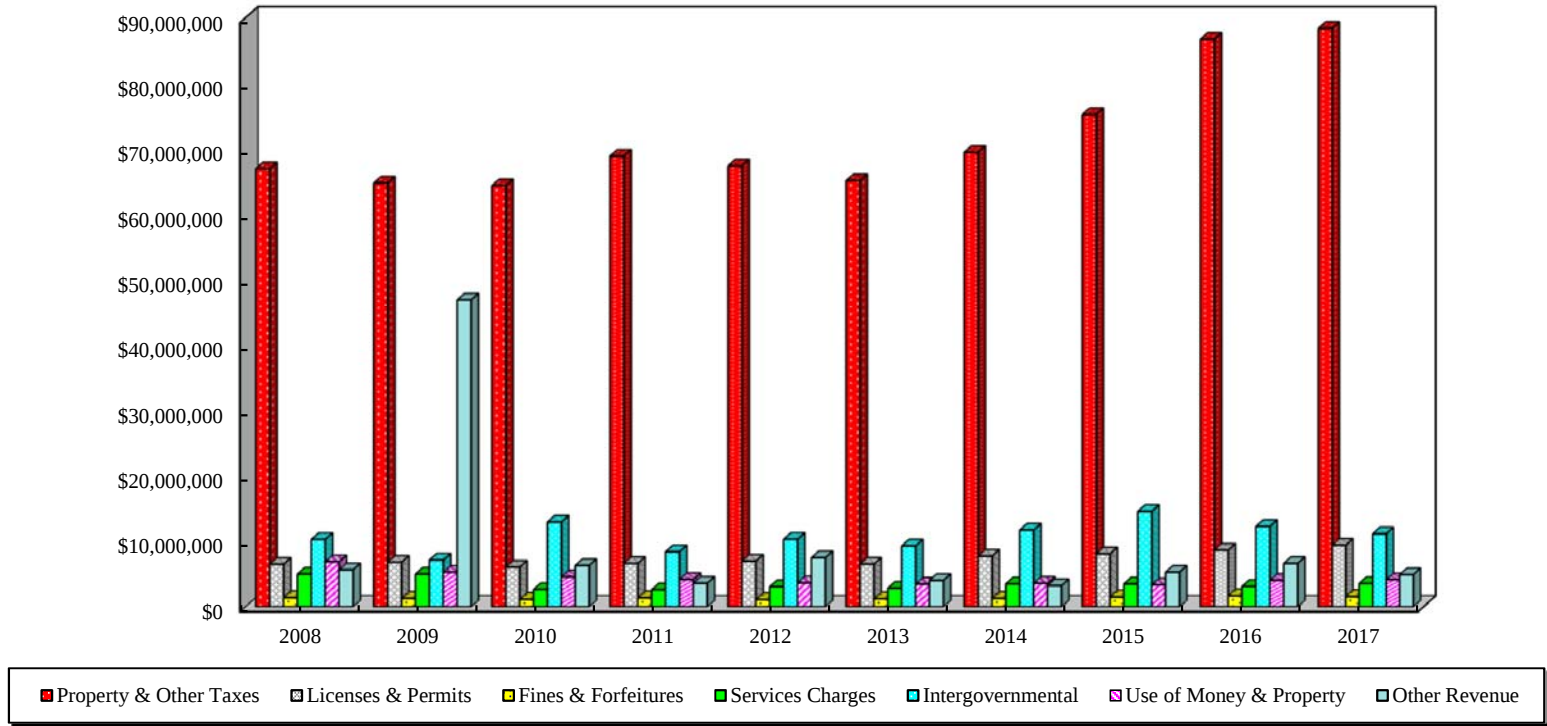
City of San Leandro
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 18,149,255	\$ 14,614,515	\$ 13,730,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,152,403	15,074,450	12,672,277	-	-	-	-	-	-	-
Nonspendable	-	-	-	10,377,840	10,147,160	10,147,160	10,147,160	13,849,630	14,448,674	12,552,626
Restricted	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Assigned	-	-	-	3,437,827	3,555,009	264,275	662,973	1,766,700	3,128,977	4,577,831
Unassigned	-	-	-	11,814,319	10,717,313	14,836,844	18,762,223	19,145,226	29,378,795	33,781,436
Total General Fund	<u>37,301,658</u>	<u>29,688,965</u>	<u>26,402,787</u>	<u>25,679,986</u>	<u>24,469,482</u>	<u>25,298,279</u>	<u>29,622,356</u>	<u>34,811,556</u>	<u>47,006,446</u>	<u>50,961,893</u>
All other governmental funds:										
Reserved	20,775,067	33,916,323	21,700,213	-	-	-	-	-	-	-
Unreserved, designated	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:										
Special revenue funds	6,907,672	5,760,645	6,827,714	-	-	-	-	-	-	-
Capital projects funds	337,211.00	3,973,218	4,803,372	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,475,000	-	-	-	-	-	-
Restricted	-	-	-	33,274,967	17,809,532	17,417,246	16,083,695	22,590,294	25,002,605	32,364,776
Assigned	-	-	-	(948,387)	-	-	-	-	-	-
Unassigned	-	-	-	-	(132,601)	(1,646,590)	(1,712,654)	(1,383,668)	(1,322,170)	(717,114)
Total all other governmental funds	<u>\$ 28,019,950</u>	<u>\$ 43,650,186</u>	<u>\$ 33,331,299</u>	<u>\$ 34,801,580</u>	<u>\$ 17,676,931</u>	<u>\$ 15,770,656</u>	<u>\$ 14,371,041</u>	<u>\$ 21,206,626</u>	<u>\$ 23,680,435</u>	<u>\$ 31,647,662</u>
Total All Governmental Funds	<u>\$ 65,321,608</u>	<u>\$ 73,339,151</u>	<u>\$ 59,734,086</u>	<u>\$ 60,481,566</u>	<u>\$ 42,146,413</u>	<u>\$ 41,068,935</u>	<u>\$ 43,993,397</u>	<u>\$ 56,018,182</u>	<u>\$ 70,686,881</u>	<u>\$ 82,609,555</u>

Source: City of San Leandro Comprehensive Annual Financial Report (CAFR) - Governmental Funds Balance Sheet

Note: GASB 54 was implemented in fiscal year 2011 and onwards. Fund balances prior to fiscal year 2011 were not restated.

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



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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property and other taxes	\$ 66,945,559	\$ 64,771,891	\$ 64,359,726	\$ 68,879,116	\$ 67,388,968	\$ 65,125,564	\$ 69,453,813	\$ 75,226,114	\$ 86,735,605	\$ 88,391,366
Licenses and permits	6,461,407	6,768,204	6,027,904	6,585,076	6,940,678	6,482,902	7,700,470	8,041,005	8,594,731	9,348,195
Fines and forfeitures	1,418,732	1,296,568	1,149,193	1,377,230	1,110,669	1,237,354	1,302,814	1,524,570	1,685,098	1,572,898
Service charges	4,965,783	4,977,492	2,627,851	2,593,610	3,051,084	2,830,649	3,492,225	3,489,068	3,099,475	3,543,567
Intergovernmental	10,224,260	7,106,997	12,853,697	8,351,105	10,246,859	9,233,120	11,640,820	14,476,306	12,191,846	11,078,666
Use of money and property	6,841,974	5,244,637	4,558,887	4,152,296	3,645,827	3,445,104	3,582,413	3,340,946	4,023,537	4,117,990
Intergovernmental	1,799,108	1,858,477	2,272,568	2,295,293	2,401,869	2,001,928	2,002,139	2,250,266	1,999,878	1,999,878
Other	3,824,523	5,542,756	4,012,703	1,294,092	5,054,650	2,009,829	1,212,971	3,007,806	4,587,609	2,882,412
Total revenues	102,481,346	97,567,022	97,862,529	95,527,818	99,840,604	92,366,450	100,387,665	111,356,081	122,917,779	122,934,972
Expenditures:										
Current:										
General government	10,996,927	10,866,088	10,353,861	9,684,293	9,943,871	12,993,178	11,350,118	11,720,994	11,846,864	11,493,208
Public safety	44,084,646	45,409,707	45,420,060	43,727,641	68,789,652	46,437,960	46,983,838	49,441,422	52,258,892	54,732,167
Engineering and transportation	16,521,818	15,641,026	18,203,786	12,231,307	9,778,421	14,550,085	19,310,489	17,905,896	19,185,657	19,487,997
Recreation and culture	15,408,155	12,100,517	9,854,633	9,560,878	8,373,427	10,274,496	10,244,659	10,481,528	12,214,366	11,845,986
Community development	16,002,716	27,126,823	24,397,598	11,342,937	9,236,773	4,311,194	5,138,376	5,708,945	6,480,125	7,700,158
Capital Outlay	232,636	-	-	-	5,763,826	-	-	-	-	-
Debt service:										
Principal	2,610,861	3,372,481	3,305,968	3,175,797	3,511,866	1,577,051	2,271,828	2,524,833	2,549,397	18,960,762
Interest and fees	3,448,347	4,917,152	4,578,463	4,247,973	3,043,070	2,605,761	2,163,895	2,299,286	1,963,779	2,196,157
Total expenditures	109,306,106	119,433,794	116,114,369	93,970,826	118,440,906	92,749,725	97,463,203	100,082,904	106,499,080	126,416,435
Excess (deficiency of revenues over (under) expenditures	(6,824,760)	(21,866,772)	(18,251,840)	1,556,992	(18,600,302)	(383,275)	2,924,462	11,273,177	16,418,699	(3,481,463)
Other financing Sources (uses):										
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding of bonds	-	-	-	-	-	(9,817,009)	-	-	-	-
Payment to refunded bonds escrows agents	-	-	-	-	-	-	-	-	-	-
Transfers in	5,895,216	11,774,023	8,598,106	8,290,220	6,029,970	577,000	776,000	2,604,156	3,877,017	4,193,000
Transfers out	(6,117,186)	(9,615,363)	(6,913,048)	(9,099,736)	(5,775,621)	(1,606,599)	(776,000)	(2,604,156)	(5,627,017)	(10,453,000)
Bonds Proceeds	-	27,725,655	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	2,500,000	-	-	-	-	-	-	-
Lease Proceeds	-	-	461,717	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	18,305,000	10,152,405	-	-	-	21,664,137
Total other financing sources (uses)	(221,970)	29,884,315	4,646,775	(809,516)	18,559,349	(694,203)	-	-	(1,750,000)	15,404,137
Prior period restatement	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (7,046,730)	\$ 8,017,543	\$ (13,605,065)	\$ 747,476	\$ (40,953)	\$ (1,077,478)	\$ 2,924,462	\$ 11,273,177	\$ 14,668,699	\$ 11,922,674
Debt Services as a percentage of noncapital expenditures	6.14%	7.40%	7.37%	9.29%	5.64%	4.81%	4.78%	4.83%	4.39%	17.40%

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

REVENUE CAPACITY

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

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

Assessed Value of Taxable Property - Last Ten Fiscal Years

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

Principal Property Tax Payers - Current Year and Nine Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

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

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

Sewer Rates - Last Ten Fiscal Years

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



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Basic City and County Levy										
City of San Leandro	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681	0.156681
County of Alameda	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319	0.843319
Total Basic Levy	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
San Leandro Unified School Bond	0.076700	0.069900	0.077100	0.089700	0.110800	0.108500	0.118800	0.131000	0.121500	0.117900
Chabot-Las Positas College Bond	0.016400	0.018300	0.019500	0.021100	0.021400	0.021900	0.021400	0.021700	0.019800	0.024600
Bay Area Rapid Transit	0.008000	0.010000	0.010800	0.008400	0.007100	0.005100	0.007500	0.004500	0.002600	0.008000
East Bay Regional Park	0.007600	0.009000	0.005700	0.003100	0.004100	0.004300	0.007800	0.008500	0.006700	0.003200
Total Override Rate	0.108700	0.107200	0.113100	0.122300	0.143400	0.139800	0.155500	0.165700	0.150600	0.153700
Total Tax Rate	1.108700	1.107200	1.113100	1.122300	1.143400	1.139800	1.155500	1.165700	1.150600	1.153700

Sources

- 1) County Auditor/Controller data, MuniServices, LLC
- 2) 2011-12 and prior, previously published CAFR Report

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

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

Fiscal Year Ended June 30	City (Excl Successor Agency)				Successor Agency				City Wide			
	Secured Property	Unsecured Property	Less: Exemptions	Taxable Assessed Value	Secured Property	Unsecured Property	Less: Exemptions	Taxable Assessed Value	Total Tax Rate (1)	Taxable Assessed Value	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2008	\$ 5,315,843	\$ 180,678	\$ 128,085	\$ 5,368,436	\$ 3,174,542	\$ 396,648	\$ 65,057	\$ 3,506,133	-	\$ 8,874,569	\$ -	-
2009	5,728,648	142,161	113,699	5,757,110	3,337,069	396,034	66,847	3,666,256	-	9,423,366	-	-
2010	5,659,301	162,942	120,044	5,702,199	3,593,007	393,869	87,613	3,899,263	-	9,601,462	-	-
2011	5,502,600	175,345	108,033	5,569,912	3,599,645	395,243	110,812	3,884,076	1.1223	9,453,988	-	-
2012	5,540,713	126,353	15,376	5,651,690	3,568,829	406,084	208,631	3,766,282	1.1434	9,417,972	-	-
2013	6,015,787	147,948	113,086	6,050,649	3,570,284	382,532	123,831	3,828,985	1.1398	9,879,634	-	-
2014	5,899,077	153,300	183,511	5,868,866	4,365,737	359,508	139,085	4,586,160	1.1555	10,455,026	-	-
2015	6,310,548	152,421	196,657	6,266,312	4,694,159	367,800	907,973	4,153,986	1.1657	10,420,298	13,808,666	1.32517
2016	7,795,139	197,971	178,848	7,814,262	3,899,194	371,143	892,306	3,378,031	1.1657	11,192,293	15,938,474	1.424058
2017	8,243,336	235,839	334,516	8,144,659	3,995,308	404,452	851,651	3,548,110	1.1537	11,692,768	20,767,772	1.776121

Source: County Assessor Data, MuniServices, LLC

Source: 2010-11 and prior, previously published CAFR Report

Table has been restated from previous years to show city and successor agency values exclusively

Secured Property does not includes state unitary value

Notes:

(-) Data Unavailable

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

(2)Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

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

Category	FY 2015	FY 2016	FY 2017
Commercial	\$ 1,209,308,122	\$ 1,260,959,808	\$ 1,300,649,480
Industrial	1,880,868,885	1,950,631,782	1,986,123,545
Institution	73,559,337	77,698,430	79,864,033
Recreation	4,150,737	4,232,993	3,256,676
Residential	6,919,186,067	7,356,513,744	7,821,980,485
Unknown	18,765,076	19,387,974	2,529
Vacant	898,869,215	1,024,907,890	1,046,767,041
Net Secured Value	11,004,707,439	11,694,332,621	12,238,643,789
Unsecured	520,220,776	569,114,530	640,291,329
Exemptions	1,104,629,751	1,071,154,402	1,186,166,647
Net Assessed Value	<u>\$ 10,420,298,464</u>	<u>\$ 11,192,292,749</u>	<u>\$ 11,692,768,471</u>

Source: County Assessor data, MuniServices, LLC

Use code categories are based on County Assessor's data

Note: Secured Property does not include state unitary value

City of San Leandro
Principal Property Tax Payers
June 30, 2017
Current Fiscal Year and Nine Years Ago

Taxpayer	2017			2008		
	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Rank	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Amb Property LP	1	\$ 184,770,951	1.58%	1	\$ 123,907,984	1.31%
Ghirardelli Chocolate Company	2	124,885,062	1.07%	3	73,528,390	0.78%
Kaiser Foundation Hospitals	3	123,479,784	1.06%	2	100,372,733	1.06%
Madison Bay Fair LLC	4	97,637,518	0.84%	5	58,062,453	0.61%
Bci Coca Cola Bottling Company	5	84,719,547	0.72%	4	66,699,842	0.71%
General Foods Corp	6	84,324,207	0.72%	6	51,173,120	0.54%
Safeway Inc.	7	73,399,805	0.63%	8	39,068,835	0.41%
Prologis Targeted U S Logistic	8	71,608,044	0.61%			
Bigge Crane Rigging Company	9	58,716,509	0.50%	15	27,402,257	0.29%
Wl Westgate Venture LLC	10	56,600,187	0.48%			
Georgia Pacific Corrugated LLC	11	51,554,086	0.44%	11	32,418,550	0.34%
Chill Build San Leandro LLC	12	51,066,362	0.44%			
Waste Mgmt Of Alameda County I	13	47,838,889	0.41%	12	30,923,003	0.33%
Creekside Plaza Partners LLC	14	45,143,063	0.39%			
Gateway Buena Park Inc.	15	38,664,290	0.33%	10	34,163,670	0.36%
Emerald Properties	16	31,777,189	0.27%	14	28,167,747	0.30%
Fpa Woodchase Apts LLC	17	31,468,797	0.27%			
World Savings Loan Assoc	18	31,359,766	0.27%	18	22,572,835	0.24%
Brcp San Leandro Industrial Ll	19	30,556,138	0.26%			
D C 1717 Doolittle Sub LLC	20	29,512,604	0.25%			
Pk I Fashion Faire Place Lp	21	28,443,430	0.24%			
Peterson Power Systems Inc.	22	27,419,832	0.23%	13	28,498,979	0.30%
Lba Cpt Industrial Co Ii LLC	23	27,056,245	0.23%			
Balco Properties Ltd. LLC	24	25,412,035	0.22%			
Heritage Gateway Lp Heritage S	25	24,364,918	0.21%			
Skb Westgate Investments Llc &				7	45,217,109	0.48%
Batarse Anthony A Jr Tr				9	35,827,554	0.38%
Lakeside Village Associates				16	25,270,475	0.27%
Target Corporation				17	25,070,185	0.27%
Heritage Associates Llc Etal				19	21,519,590	0.23%
Willows Fargo Inc				20	21,096,817	0.22%
Wri Greenhouse L P				21	20,633,333	0.22%
Price Company				22	20,317,748	0.21%
Bigge Street Investors				23	18,898,432	0.20%
Fairfield Timbers Lp				24	18,434,083	0.20%
Olson Properties Lp				25	17,938,926	0.19%
Total Top 25 Taxpayers		1,481,779,258	12.67%		987,184,650	10.44%
Total Taxable Value		\$ 11,692,768,471	100.00%		\$ 9,453,345,838	100.00%

Source: County Assessor data, MuniServices, LLC

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Residual Distribution	Total Collections to Date	
		Amount	Percent of Levy			Amount	Percent of Levy
2008	\$ 10,093,368	\$ 9,370,261	92.84%	\$ 424,812	\$ -	\$ 9,795,074	97.04%
2009	10,425,968	9,686,655	92.91%	322,758	-	10,009,413	96.00%
2010	9,857,438	9,303,586	94.38%	378,646	-	9,682,232	98.22%
2011	9,800,011	9,307,532	94.97%	230,948	-	9,538,480	97.33%
2012	9,676,693	9,190,945	94.98%	261,132	266,242	9,718,319	100.43%
2013	9,959,351	10,142,627	101.84%	287,147	222,507	10,652,282	106.96%
2014	10,732,261	10,338,768	96.33%	177,313	289,806	10,805,887	100.69%
2015	10,630,839	10,250,071	96.42%	158,636	337,278	10,745,985	101.08%
2016	11,326,738	10,897,360	96.21%	191,132	165,626	11,254,119	99.36%
2017	11,817,732	11,631,783	98.43%	133,429	1,604,861	13,370,073	113.14%

Source: Alameda County Auditor-Controller's Office

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

	2008 Q1	2009 Q1	2010 Q1	2011 Q1	2012 Q1	2013 Q1	2014 Q1	2015 Q1	2016 Q1	2017 Q1
All Other Outlets	\$ 6,815,908	\$ 5,854,387	\$ 4,845,295	\$ 4,957,656	\$ 5,634,638	\$ 5,834,194	\$ 6,440,397	\$ 8,509,257	\$ 9,273,003	\$ 8,998,207
Apparel Stores	1,047,914	1,085,819	1,058,295	1,183,933	1,265,000	1,379,637	1,446,743	1,489,642	1,556,942	1,539,266
Auto Dealers & Auto	2,258,565	1,878,967	1,820,767	1,958,988	2,316,834	2,462,908	2,847,257	3,050,395	3,759,050	3,859,431
Bldg. Matrl. & Farm	1,358,568	1,202,892	1,043,338	1,044,969	1,110,805	1,228,897	1,396,353	1,459,440	1,587,787	1,930,931
Drug Stores	245,245	249,938	238,200	226,615	224,543	219,551	229,324	232,109	238,377	246,203
Eating & Drinking Pl	1,114,149	1,158,427	1,099,024	1,118,263	1,181,338	1,247,631	1,438,911	1,550,310	1,753,816	1,894,793
Food Stores	532,168	500,164	448,390	448,316	460,510	479,558	491,483	516,047	542,861	548,421
General Merchandise	3,147,663	3,099,108	3,195,340	3,136,334	3,151,866	3,213,319	3,194,679	3,241,500	3,273,907	3,551,614
Home Furnishings & A	334,679	270,342	281,758	281,781	342,558	362,039	377,463	408,819	359,918	530,569
Other Retail Stores	1,454,665	1,334,078	1,179,635	1,251,710	1,293,328	1,349,911	1,440,925	1,493,092	1,738,297	1,683,390
Packaged Liquor Stor	69,089	77,733	64,919	61,387	71,272	76,229	109,813	130,720	148,820	148,749
Service Station	1,106,111	1,011,305	913,510	1,064,668	1,370,154	1,288,416	1,284,520	1,216,454	1,073,262	1,016,065
TOTAL	\$ 19,484,724	\$ 17,723,160	\$ 16,188,471	\$ 16,734,620	\$ 18,422,846	\$ 19,142,290	\$ 20,697,868	\$ 23,297,785	\$ 25,306,040	\$ 25,947,639

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

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

FY 2017	
Taxpayer	Business Type
Allied Building Products	Bldg.Matls-Whsle
Autocom Nissan East Bay	Auto Sales - New
Costco Wholesale	Department Stores
Cummins Pacific	Heavy Industry
Enterprise Car Sales	Auto Sales - Used
F.H. Dailey Chevrolet	Auto Sales - New
Ferguson Enterprises	Bldg.Matls-Whsle
Home Depot	Bldg.Matls-Retail
Macy's Department Store	Department Stores
Mc Kevitt Volvo-Nissan	Auto Sales - New
Nicholas Parks Nissan	Auto Sales - New
Nike Clearance Store	Apparel Stores
Norcal Kenworth	Auto Parts/Repair
Nordstrom Rack	Apparel Stores
Onesource Supply Solutions	Electronic Equipment
Peterson Power Systems	Heavy Industry
Peterson Tractor	Heavy Industry
Peterson Trucks	Auto Parts/Repair
Rexel	Electronic Equipment
Safeway Stores	Food Markets
San Leandro Chrysler Jeep Dodg	Auto Sales - New
San Leandro Honda	Auto Sales - New
Target Stores	Department Stores
The Ford Store	Auto Sales - New
Wal Mart Stores	Department Stores

FY 2008	
Taxpayer	Business Type
ABB Con Cise Optical Group	Light Industry
Acoustical Material Services	Bldg.Matls-Whsle
Cal Steam	Bldg.Matls-Whsle
Costco Wholesale	Department Stores
Cummins West	Heavy Industry
Enterprise Rent-A-Car	Leasing
F.H. Dailey Chevrolet	Auto Sales - New
Flyers Service Stations	Service Stations
Home Depot	Bldg.Matls-Retail
Macy's Department Store	Department Stores
Marina Square Auto Center	Auto Sales - New
Nordstrom Rack	Apparel Stores
Peterson Power Systems	Heavy Industry
Peterson Tractor	Heavy Industry
Rexel	Electronic Equipment
Ross Stores	Apparel Stores
Safeway Stores	Food Markets
San Leandro Honda	Auto Sales - New
Shell Service Stations	Service Stations
Target Stores	Department Stores
The Ford Store	Auto Sales - New
Wal Mart Stores	Department Stores
Western States Oil	Energy Sales
White Cap Industries	Bldg.Matls-Whsle
White Gmc Truck Center	Auto Sales - New

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

City of San Leandro
Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Sewer		Non-Residential		
	Single Family	Multi- Family	Commercial		Institutional
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
2015	33.07	23.54	3.65	- 7.66	3.00
2016	33.17	23.54	3.65	- 7.66	3.00
2017	34.03	24.15	3.74	- 7.86	3.08

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

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

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

Calendar Year	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions (in thousands)	Number of Permits	Taxable Transactions (in thousands)
2008	1,154	\$ 1,212,699	2,506	\$ 1,787,282
2009	1,336	\$ 1,074,706	2,351	\$ 1,598,739
2010	1,414	\$ 1,110,136	2,448	\$ 1,663,900
2011	1,312	\$ 1,203,146	2,309	\$ 1,775,210
2012	1,341	\$ 1,273,883	2,322	\$ 1,867,865
2013	1,304	\$ 1,348,729	2,273	\$ 2,026,119
2014	1,290	\$ 1,378,120	2,258	\$ 2,246,508
2015	1,189	\$ 1,433,968	2,231	\$ 2,438,671
2016	1,183	\$ 1,553,926	2,243	\$ 2,540,136
2017	N/A	N/A	N/A	N/A

Note: Calendar Year 2017 data not yet available at this time.

Source: State Board of Equalization (BOE), Taxable Sales in California (Sales and Use Tax).

DEBT CAPACITY

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

Direct and Overlapping Debt - As of June 30, 2017

Pledged-Revenue Coverage - Last Ten Fiscal Years

Computation of Legal Debt Margin - Last Ten Fiscal Years

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years



	Total Debt 6/30/2017	% Applicable (1)	City's Share of Debt 6/30/17
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Bay Area Rapid Transit District	\$ 891,135,000	1.876%	\$ 16,272,125
Chabot-Las Positas Community College District	536,465,000	10.685	57,321,285
San Leandro Unified School District	225,924,798	89.822	202,930,172
San Lorenzo Unified School District	115,340,000	22.080	25,467,072
East Bay Municipal Utility District, Special District No. 1	3,515,000	0.001	35
East Bay Regional Park District	123,590,000	2.816	3,480,294
City of San Leandro Cherrywood Community Facilities District	2,975,000	100.000	2,975,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 308,445,983

Alameda County General Fund Obligations	\$ 856,742,500	4.642%	\$ 39,769,987
Alameda County Pension Obligation Bonds	27,719,489	4.642	1,286,739
Alameda-Contra Costa Transit District Certificates of Participation	17,625,000	4.498	969,023
San Leandro Unified School District Certificates of Participation	4,775,000	89.822	4,289,001
San Lorenzo Unified School District Certificates of Participation	7,950,000	22.08	1,755,360
City of San Leandro General Fund Obligations	27,410,045	100.000	27,410,045
City of San Leandro Pension Obligation Bonds	13,040,000	100.000	13,040,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 88,520,155

San Leandro Tax Allocation Bonds	\$	13,619,000	100.000%	\$	13,619,000
Alameda County – San Leandro Tax Allocation Bonds		23,480,000	57.052		13,395,810
TOTAL OVERLAPPING TAX INCREMENT DEBT					\$27,014,810

COMBINED TOTAL DEBT	\$ 423,980,948 (2)
---------------------	--------------------

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

Total Overlapping Tax and Assessment Debt	2.61%
Total Direct Debt (\$40,450,045)	0.34%
Combined Total Debt	3.59%

Total Overlapping Tax Increment Debt	1.29%
--------------------------------------	-------

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

Fiscal Year	Special Assessment Bonds				Coverage
	Special Assessment Collections	Debt Service			
		Principal	Interest		
2008	\$ 80,036	\$ 135,000	\$ 26,441	0.50	
2009	66	145,000	16,416	0.00	
2010	-	155,000	5,592	-	
2011	-	-	-	-	
2012	-	-	-	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	

Notes: During Fiscal Year 2009-10 and beyond no assessments were necessary due to the availability of funds to pay the debt.

Source: City of San Leandro

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Valuation:										
Secured property assessed value	\$ 8,297,243,000	\$ 8,885,171,000	\$ 9,044,651,000	\$ 8,883,400,000	\$ 8,885,535,000	\$ 9,349,154,000	\$ 9,942,218,000	\$ 9,900,077,000	\$ 10,623,178,219	#####
Addback: Exemptions	193,142,000	180,546,000	207,657,000	218,845,000	224,007,000	236,917,000	322,596,000	1,104,630,000	1,071,154,402	1,139,775,183
Total Assessed Valuation	<u>\$ 8,490,385,000</u>	<u>\$ 9,065,717,000</u>	<u>\$ 9,252,308,000</u>	<u>\$ 9,102,245,000</u>	<u>\$ 9,109,542,000</u>	<u>\$ 9,586,071,000</u>	<u>\$ 10,264,814,000</u>	<u>\$ 11,004,707,000</u>	<u>\$ 11,694,332,621</u>	<u>#####</u>
Bonded debt (15% of Assessed Value)	\$ 1,273,557,750	\$ 1,359,857,550	\$ 1,387,846,200	\$ 1,365,336,750	\$ 1,366,431,300	\$ 1,437,910,650	\$ 1,539,722,100	\$ 1,650,706,050	\$ 1,754,149,893	\$ 1,835,796,568
Total Bonded Debt	63,802,461	88,653,126	87,662,234	84,549,436	99,120,825	46,698,820	44,557,992	42,478,441	42,066,944	42,404,398
Less:										
Special assessment bonds	(300,000)	(155,000)	-	-	-	-	-	-	-	-
Lease Revenue Debt	(38,015,000)	(36,860,000)	(35,660,000)	(34,420,000)	(29,515,000)	(28,340,000)	(30,440,000)	(26,208,000)	(25,198,000)	(27,410,045)
Capital Leases	(1,683,455)	(1,237,267)	(1,238,241)	(772,883)	(287,790)	(980,820)	(694,992)	(715,441)	(678,944)	(240,353)
Amount of Debt subject to Limit	<u>23,804,006</u>	<u>50,400,859</u>	<u>50,763,993</u>	<u>49,356,553</u>	<u>69,318,035</u>	<u>17,378,000</u>	<u>13,423,000</u>	<u>15,555,000</u>	<u>16,190,000</u>	<u>14,754,000</u>
Legal Debt Margin	<u>\$ 1,249,753,744</u>	<u>\$ 1,309,456,691</u>	<u>\$ 1,337,082,207</u>	<u>\$ 1,315,980,197</u>	<u>\$ 1,297,113,265</u>	<u>\$ 1,420,532,650</u>	<u>\$ 1,526,299,100</u>	<u>\$ 1,635,151,050</u>	<u>\$ 1,737,959,893</u>	<u>\$ 1,821,042,568</u>

Source: County of Alameda office of Auditor-Controller

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

Fiscal Year Ended	Total of Personal Income	Population	Governmental Activities						% of Personal Income	Debt per Capita	Business-Type Activity			Total Government-Wide		
			Tax Allocation Bonds	Pension Obligation Bonds	CFDs and Lease Revenue Debt (1)	Capital Leases	Other Debt	Total Governmental Debt			Total Business-Type Debt (2)	% of Personal Income	Debt per Capita	Total Government-Wide Debt	% of Personal Income	Debt per Capita
2008	5,115,687,500	81,851	20,140,000	-	38,315,000	1,683,458	4,661,707	64,800,165	1.27%	791.68	2,963,509	0.06%	36.21	41,278,509	0.81%	504.31
2009	4,750,387,200	82,472	47,050,000	-	37,015,000	1,237,265	5,826,219	91,128,484	1.92%	1,104.96	2,803,948	0.06%	34.00	39,818,948	0.84%	482.82
2010	4,932,751,900	83,183	46,075,000	-	35,660,000	1,238,241	7,810,992	90,784,233	1.84%	1,091.38	2,637,207	0.05%	31.70	38,297,207	0.78%	460.40
2011	5,248,658,550	85,490	44,920,000	-	34,420,000	772,883	7,495,553	87,608,436	1.67%	1,024.78	2,462,962	0.05%	28.81	36,882,962	0.70%	431.43
2012	5,159,811,699	85,941	-	18,305,000	29,515,000	287,790	2,865,000	50,972,790	0.99%	593.11	8,979,154	0.17%	104.48	38,494,154	0.75%	447.91
2013	5,310,979,146	86,666	-	17,585,000	28,133,000	980,820	2,238,000	48,936,820	0.92%	564.66	23,426,651	0.44%	270.31	51,559,651	0.97%	594.92
2014	5,545,682,831	89,189	-	16,675,000	27,188,000	694,992	2,107,000	46,664,992	0.84%	523.21	37,914,665	0.68%	425.10	65,102,665	1.17%	729.94
2015	5,524,820,829	88,441	-	15,555,000	26,208,000	715,441	1,976,000	44,454,441	0.80%	502.65	42,092,468	0.76%	475.94	68,300,468	1.24%	772.27
2016	5,587,279,300	87,700	-	14,345,000	25,198,000	678,944	1,845,000	42,066,944	0.75%	479.67	44,179,819	0.79%	503.76	69,377,819	1.24%	791.08
2017	5,894,517,000	88,274	-	13,040,000	27,410,045	240,353	1,714,000	42,404,398	0.72%	480.37	42,297,582	0.72%	479.16	69,707,627	1.18%	789.67

Note:

(1) CFDs - Community Facility District

(2) Business-type Activity Debt consists of a Marina Loan and a State Water Resources Control Board Loan.

Sources:

(a) Taxable value of property provided by the Alameda County Tax Collector.

(b) Population Projections are provided by the California Department of Finance Projections.

(c) All other information provided by the City of San Leandro.

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

Fiscal Year	Total of Personal Income	Population	Pension Obligation Bonds	Capital Leases	Other Debt	Total General Bonded Debt	% of Personal Income	Debt per Capita
2008	\$ 5,115,687,500	81,851	\$ -	\$ 1,683,458	\$ 2,713,707	\$ 4,397,165	0.09%	54
2009	4,750,387,200	82,472	-	1,237,265	2,555,859	3,793,124	0.08%	46
2010	4,932,751,900	83,183	-	1,238,241	2,513,632	3,751,873	0.08%	45
2011	5,248,658,550	85,490	-	772,883	2,421,193	3,194,076	0.06%	37
2012	5,159,811,699	85,941	18,305,000	287,790	-	18,592,790	0.36%	216
2013	5,310,979,146	86,666	17,585,000	980,820	-	18,565,820	0.35%	214
2014	5,545,682,831	89,189	16,675,000	694,992	-	17,369,992	0.31%	195
2015	5,524,820,829	88,441	15,555,000	715,441	-	16,270,441	0.29%	184
2016	5,587,279,300	87,700	14,345,000	678,944	-	15,023,944	0.27%	171
2017	5,894,516,653	88,274	13,040,000	240,353	-	13,280,353	0.23%	150

Sources:

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Demographic and Economic Statistics - Last Ten Fiscal Years

Principal Employers - Current Year and Seven Years Ago



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

Fiscal Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	Median Home Price	Consumer Price Index	City Unemployment Rate (4)
2008	81,851	\$ 5,115,688	\$ 62,500	37.7	8,722	\$ 363,000	\$ 225	6.9%
2009	82,472	4,750,387	57,600	38.0	8,855	305,000	226	10.3%
2010	83,183	4,932,752	59,300	38.9	8,801	334,194	228	10.8%
2011	85,490	5,248,659	61,395	39.5	9,000	309,800	232	10.0%
2012	85,941	5,159,812	60,039	37.6	8,776	320,000	228	9.3%
2013	86,666	5,310,979	61,281	39.1	8,769	400,000	246	7.4%
2014	89,189	5,545,683	62,179	39.2	8,668	440,000	253	6.3%
2015	88,441	5,524,821	62,469	39.2	8,617	510,000	239	4.8%
2016	87,700	5,587,279	63,709	40.5	8,560	529,000	240	5.1%
2017	88,274	5,894,517	66,775	40.5	8,638	585,400	245	4.6%

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

Source: 2013-14 and prior, previous published CAFR

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

Notes:

1) Population Projections are provided by the California Department of Finance Projections.

2) Income Data is provided by the U.S. Census Bureau, 2011-2015 American Community Survey. Income data has been restated from previous years.

3) Student Enrollment reflects the total number of students enrolled in the San Leandro Unified School District. Any other school districts within the City are not accounted for in this statistic.

4) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

City of San Leandro
Principal Employers
Current Year and Seven Years Ago

Employer	2016-17			2009-10		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Kaiser Permanente	3,400	1	7.14%			
Alameda Health System:**	1,468	2	3.08%			
SLUSD*	1,179	3	2.48%	1,262		4.29%
Walmart (2 locations)	843	4	1.77%	540		1.83%
Ghirardelli Chocolate Co.	516	5	1.08%			
Paramedics Plus LLC	495	6	1.04%			
Peterson Cat	487	7	1.02%			
Safeway (4 locations)	436	8	0.92%			
City of San Leandro*	425	9	0.89%	453		1.54%
Costco Wholesale	415	10	0.87%	333		1.13%
American Medical Response West				402		1.37%
Coca Cola Bottling Co				317		1.08%
North Face, Inc.				314		1.07%
Kindred Hospital - SF Bay Area				268		0.91%
OSI Soft, Inc				238		0.81%
Total Top Employers	9,664		20.30%	4,127		14.01%
Total City Employment (1)	47,600			29,450		

Source: MuniServices, LLC

Notes:

*Includes full and part-time

**Includes part-time and substitutes

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

OPERATING INFORMATION

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

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

Operating Indicators by Function - Last Ten Fiscal Years

Capital Assets by Function - Last Ten Fiscal Years



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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	59	62	55	49	51	50	51	55	50	51
Police	147	150	142	133	136	136	139	139	143	143
Engineering & Transportation	29	30	30	25	25	27	27	27	31	30
Development Services	24	23	19	18	19	21	22	22	26	25
Public Works Services	120	122	113	104	103	102	101	102	102	104
Other Agencies	9	8	9	8	8.5	0	0	0	0	0
Library	46	49	40	33	33	33	33	33	34	34
Recreation & Human Services	73	57	45	35	33	37	39	39	39	39
Total	507	501	453	405	409	406	412	417	425	426

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Police Department:</u>										
Arrests	3,939	4,026	3,722	3,486	3,299	3,279	3,036	2,148	2,789	2,799
<u>Building Department:</u>										
Permits Issued	3,569	2,541	2,507	2,446	2,503	2,564	2,624	1,961	2,891	2,762
<u>Public Works Department:</u>										
Street reconstruction (miles)	5.59	-	2.34	0.55	1.39	-	1.35	0.26	0.74	2.24
Street resurfacing (miles)	4.44	-	2.72	4.00	8.68	-	17.94	5.39	4.12	5.21
<u>Parks and Recreation:</u>										
Number of registrants	21,850	18,413	16,584	17,099	20,236	21,324	18,914	17,737	17,114	16,742
Number of facility rentals	746	752	705	1,190	1,282	1,999	2,656	3,830	2,439	2,222
<u>Golf Course:</u>										
Golf rounds played	102,182	101,760	98,000	98,000	97,310	95,995	96,450	102,534	99,185	98,987

Notes:

Fire Services are contracted with the Alameda County Fire Department.

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

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<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	2	2	2	2	2	2	2	2
<u>Public works:</u>										
Streets (miles)	175	175	175	175	175	175	175	175	175	175
Streetlights	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Traffic signals	755	755	755	755	755	755	755	755	755	755
<u>Wastewater:</u>										
Sanitary Sewer Lines (miles)	130	130	130	130	130	130	130	130	128	128
Storm Drainage Lines In the City (mil	175	175	175	175	175	175	175	175	180	180
<u>Golf Course:</u>										
Courses	2	2	2	2	2	2	2	2	2	2

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

