



CITY CENTER BISHOP RANCH OPENING NOVEMBER 2018 – SAN RAMON FIRST DOWNTOWN

City of San Ramon, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



“WE PROVIDE EFFICIENT DELIVERY OF QUALITY PUBLIC SERVICES THAT ARE ESSENTIAL TO THOSE WHO LIVE AND WORK
IN SAN RAMON”

CITY OF SAN RAMON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2018

Prepared by the
Administrative Services Department, Finance Division
Eva Phelps, Director of Administrative Services



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CITY OF SAN RAMON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

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INTRODUCTORY SECTION



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CITY OF SAN RAMON

7000 BOLLINGER CANYON ROAD
SAN RAMON, CALIFORNIA 94583
PHONE: (925) 973-2500
WEB SITE: www.sanramon.ca.gov

December 18, 2018

To the Citizens of the City of San Ramon,
Honorable Mayor and Members of the
City Council

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of San Ramon for the fiscal year ended June 30, 2018 with the Independent Auditors' Report. The CAFR was prepared by the City's Finance Division of the Administrative Services Department. To provide a reasonable basis for making these representations, management of the City of San Ramon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of San Ramon's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, San Ramon'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. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. Management asserts that to the best of our knowledge and belief, the information as presented is accurate in all material respects, that the presentation fairly shows the financial position and the results of the City's operations as measured by the financial activity of the various funds, and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

This report is published in accordance with State law requirements that financial statements be presented in conformity with accounting principles generally accepted in the United States of America and audited by a firm of licensed certified public accountants. The City of San Ramon has continued to comply with recent pronouncements of the Governmental Accounting Standards Board (GASB), which is the authoritative body in establishing U.S. generally accepted accounting principles (GAAP) for local governments.

The analysis of the financial condition and the result of operations can be found in the financial section of the Management's Discussion and Analysis (MD&A) document. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Government Profile

The City of San Ramon, incorporated in 1983, is located in Contra Costa County, a growing area in the eastern portion of the San Francisco Bay Area. The City occupies a land and area of 18.56 square miles and serves a population of 82,643 as of January 2018. San Ramon continues to show strength as a major employer and a community with high quality residential neighborhoods. San Ramon is considered to be one of the most desirable living areas in the Bay Area.

The City of San Ramon is a Charter City that operates under the Council-Manager form of government. Policy making and legislative authority are vested in the City Council, which consists of an elected Mayor for two-years and a four member Council elected to four-year terms. The governing Council is responsible for the City's ordinances, operation resolutions, adoption of the annual budget, appointing commissions and committees and hiring the City Manager and City Attorney.

The City Manager is responsible for implementing the policies, ordinances and directives of the City Council, for overseeing the day-to-day operations of the City and for appointing the Directors of City's departments. The City provides a number of services and activities summarized as follows:

- Police protection
- Maintenance of streets and roads
- Maintenance of parks and landscaping
- Recreation activities
- Senior activities
- Planning and building services
- Engineering
- Storm water and drainage services
- Economic Development
- Other general government services

Financial Information

Budgeting Controls:

The City operates on a fiscal year basis, beginning July 1 and ending June 30. The budget is prepared under the supervision of the City Manager and transmitted to the City Council for deliberation and adoption prior to the beginning of the fiscal year.

Upon adoption by the City Council, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The City's budgetary procedures are

further discussed in the Notes to the Basic Financial Statements and can be found in the Financial Section of this report.

Activities of all funds of the City are included in the annual appropriated budget except for the capital projects fund, which adopts a project length budget. In addition, a five-year Capital Improvement Program is updated annually, at which time budgets for new projects and revisions for existing projects are adopted. The level of budgetary control is by fund, although budgets are adopted within funds at the department/division level in all operating funds and at the project level in the capital projects funds. Only the City Council has the authority to increase total appropriations subject only to the appropriation limitations established by State law. Budget appropriations lapse at the end of the fiscal year, with the exception of contract commitments and capital improvement projects, which are carried over until the commitment is met, or the project has been completed.

Financial Policies:

Throughout the years, the City has followed a fiscally conservative philosophy of building and maintaining healthy reserves. This practice has allowed the City to continue providing quality services to its residents in a time when many local agencies were being forced to cut back due to fiscal constraints. On an annual basis, the Council approves financial policies designed to promote sound financial management and ensure fiscal integrity over time. This CAFR reflects the implementation of these financial guidelines and presents all fund reserves and designations in an effort to define fund balance commitments and obligations as of the financial report date.

Internal Controls:

City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. In order to strengthen internal controls the City formalized a fraud prevention policy which was adopted by the City Council. The intent of the policy is to facilitate the development of controls which will aid in the prevention and detection of fraud against the City of San Ramon.

Cash Management:

In order to maximize investment leverage, it is the City's practice to "pool" available cash from all funds for investment purposes. In accordance with the annually adopted investment policy, available cash is invested with the goal of safety, meaning protection of principal, as the first priority, ensuring adequate liquidity as the second priority and maximizing yield as the third priority. The City's investments generally include federal agencies, treasuries, certificates of deposit, corporate notes, commercial paper, municipal bonds, and supranationals. The duration of the investments in the city's investment pool

as of June 30, 2018 was 1.48 years. The average return realized on the pooled investments increased from 1.27% in fiscal year 2016-17 to 1.64% in fiscal year 2017-18.

Factors Affecting Financial Condition

Local Economic Conditions:

The City of San Ramon economy has continued to show steady growth from last fiscal year. Some examples of the relative strength of the local economy are as follows:

- The California statewide unemployment was 4.0%, but the San Ramon residential unemployment rate that has been measured by the State Employment Development Department as of October 2018 was approximately 2.5%
- San Ramon has a relatively high median household income level of \$161,870 which is more than twice the State of California level of \$71,805 per the US Census Bureau 2017 American Community Survey 1-Year Estimates
- Positive growth in property tax, licenses and permits, intergovernmental revenue, charges for services, and miscellaneous revenue.
- Median home values have risen 6.8% over the past year and it has been predicted that they will continue to rise 3.4% over the next year. The average sales price for single family homes has increased 4.0% and townhouse/condo style homes has increased 10.1% from October 2017 to October 2018.

For the Future:

The City has experienced increases in property tax, licenses and permits, intergovernmental revenue, charges for services, and miscellaneous revenue. However, there were decreases in sales tax due to a decline in business to business activity, property transfer tax due to fewer homes being sold, and transient occupancy tax reflecting a decrease in hotel occupancy. As the City navigates fiscal year 2018-19 and beyond, effort will be made to remain conservative with resources in order to maintain the desired level of reserves. The State of California economy continues to remain strong. Governor Brown's fiscal year 2018-19 Budget includes increased spending for education funding, continuing contributions to the rainy day fund, paying down debt, and expanding health care coverage to millions of Californians.

Other factors that impacted the City's budget for the fiscal year 2018-19 and beyond are local area economies, increases in pension plan costs, contract services, and maintaining aging infrastructure.

A budget was presented to the City Council which required employees to make additional contributions to the City's pension fund. The City has continued to rely on additional

contracting for services to cover the expansion of municipal services in the Dougherty Valley area of the City. During 2018-19 service expansion includes: the assumption of maintenance responsibilities for new landscape improvements, continue DV Tree and Planting Strip Management Plan, continue replacement and renovation of declining plant material, replace entry doors at Dougherty Station Community Center for ADA compliance, and assume maintenance responsibilities for civil improvements for traffic signals, street lights, roadways, catch basins and traffic signs. In an effort to meet future service level needs, the 2018-19 budget included the following staffing level increases and restructuring:

- The Police Services Department added one (1) new Police Services Technician
- The Parks & Community Services Department restructuring by reclassifying three (3) Recreation Technicians to Recreation Coordinators
- Public Works Department restructuring within the Public Services Division

The City Council has been proactive in planning for an uncertain financial future by:

- Establishing and maintaining a 40% General Contingency Reserve
- Setting aside funds to cover the future cost of retiree health benefits
- Setting aside funds in a Post-Employment Benefits Trust (PARS) to help offset some of the increase in pension costs
- Maintaining an internal service fund to accumulate funds for maintenance of publicly owned buildings
- Fully funding vehicle and Information Technology replacement funds
- Labor contracts include additional employee contributions to the employer portion of pension costs

These types of actions help to preserve the financial health of the City of San Ramon and to provide the flexibility to make up for revenue shortfalls. As a result of efforts to preserve the financial health of the City long-term debt ratings for the General Fund continues to receive an “AAA” rating by Standard and Poor’s.

Annual Audit

Maze and Associates, a firm of licensed certified public accountants, has audited the City of San Ramon’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of San Ramon for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit

involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of San Ramon's financial statements for the year ended June 30, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The City of San Ramon was not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments.

Awards for Excellence in Financial Reporting

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 Ramon for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of San Ramon has received a Certificate of Achievement for the last fourteen (14) consecutive years. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation and development of the CAFR could not have been accomplished without the year-round efficiency and dedication of the Finance Division staff and their special efforts, working in conjunction with the City's independent auditors.

We would like to express our appreciation to all members of City staff who contributed to the final product. We want to thank Maze and Associates, our independent auditors, for their professionalism in performing this year-end financial audit. A special thanks and

acknowledgment is due to Candace Daniels, Finance Division Manager, Vivian Gong, Senior Finance Analyst and Marshall Yamamoto, Finance Analyst who devoted extensive time and energy preparing this report. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Joe Gorton
City Manager



Eva Phelps
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Ramon
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



STAFF DIRECTORY

EXECUTIVE MANAGEMENT

City Manager
Assistant City Manager
City Attorney
City Clerk
Director of Administrative Services
Director of Public Works
Director of Parks & Community Services
Director of Community Development
Chief of Police – Interim

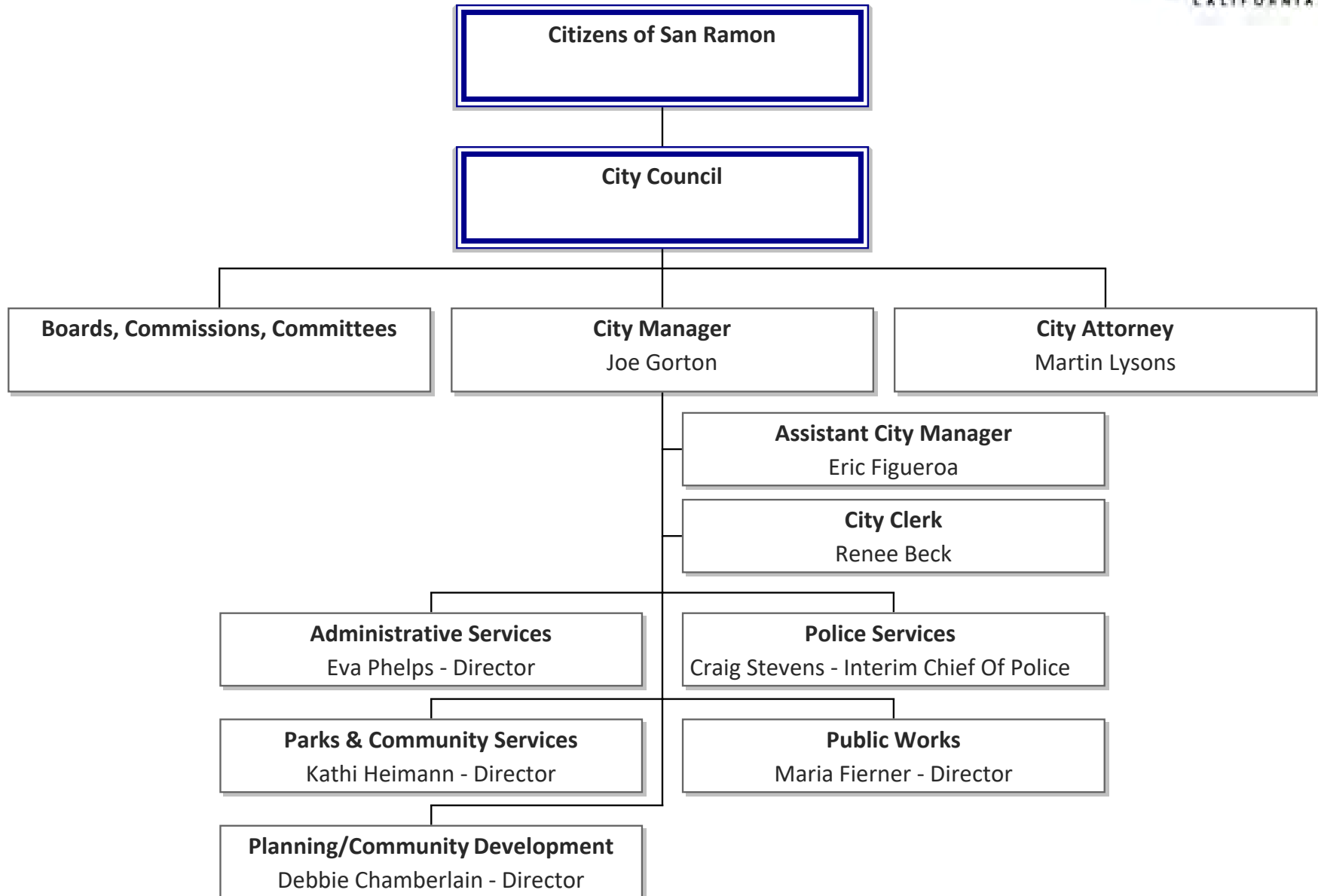
Joe Gorton
Eric Figueroa
Martin Lyson
Renee Beck
Eva Phelps
Maria Fierner
Kathi Heimann
Debbie Chamberlain
Craig Stevens

FINANCE

Finance Manager
Senior Administrative Analyst
Administrative Analyst
Administrative Analyst
Administrative Coordinator
Administrative Coordinator
Accounting Specialist
Accounting Specialist

Candace L. Daniels
Vivian Gong
Marshall Yamamoto
Julie Glaser
Carla Hayden
Glenda Broadfoot
Danielle Day
Andrea Stein

City of San Ramon Organization Chart FY 2017-2018



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of San Ramon

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of San Ramon, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 1(q).

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 statements as a whole. The Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplementary Information are the responsibility of management and were derived from and relate 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 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, 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 the 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.



Pleasant Hill, California
December 10, 2018



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City's Comprehensive Annual Financial Report presents an overview of the City's financial activities for the fiscal year ended June 30, 2018. To obtain a complete understanding of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2018 include the following:

The City of San Ramon implemented GASB Statement No. 75 during Fiscal Year 2017-18. GASB Statement No. 75 is a new accounting standard for post-retirement benefits. Cities and municipalities are required to recognize the unfunded actuarial accrued liability on the statement of net position, and provide a more detailed note disclosure. The implementation of GASB No. 75 caused the beginning net position to be reinstated by \$1.5 million.

- Overall, the assets of the City exceeded its liabilities at the close of Fiscal Year 2017-18 by \$490.1 million (net position). Of this amount, (\$15.1) million represents unrestricted net position. \$76.8 million is restricted for specific purposes, and \$428.5 million is the net investment in capital assets. The City's total net position decreased by \$15.6 million over the prior fiscal year, which is due to the implementation of GASB 75.
- The City's governmental funds reported combined ending fund balances of \$84.2 million, a decrease of \$2.3 million in comparison with the prior year.
- Long-term liabilities were \$23.5 million at the end of the year, which was \$2.2 million less than last fiscal year reflecting reductions from the annual principal debt service payments.
- Net pension liability was \$29.0 million, which was \$5.6 million more than the previous fiscal year
- The revenues available for expenditure were \$1.4 million more than the final budget in the General Fund due to higher than anticipated revenue in property tax, licenses and permits, intergovernmental revenue, charges for services, and miscellaneous revenue. The City kept General Fund expenditures within spending limits by \$1.5 million.
- The available General Fund ending balance of \$7.4 million was \$2.7 million higher than estimated in the final budget.

THE 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. This report also includes supplementary information intended to furnish additional detail to support the Basic Financial Statements. Each of these components is discussed below.

Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the GASB statements with regard to inter-fund activity, payables and receivables.

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 time, increases or decreases in net position may serve as an indicator of whether the financial health of the City of San Ramon is improving or deteriorating. The City's pension liability is recorded on the statement of net position per GASB Statement No. 68, and the City's unfunded actuarial accrued liability is also recorded per GASB Statement No. 75.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All of the current year revenues and expenses are taken into account, regardless of the timing of related cash flows (accrual basis of accounting). In the statement of activities, we separate the City activities as follows:

- **Governmental activities** – Most of the City's basic services are reported in this category, including General Government (City Manager, City Clerk, Council, City Attorney and Administrative Services), Community Development (Planning and Building), Police Services, Public Works (streets, facilities, parks, Engineering, Transportation, etc.), and Parks and Community Services (recreation and culture). These activities are generally financed by property and sales taxes, user fees, interest income, franchise fees, and State and Federal shared revenues and grants.

The Government-wide Financial Statements can be found on pages 19 to 20 of this report.

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 of activities: governmental funds, proprietary funds and fiduciary 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 financials 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 financing requirements.

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 governmental 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 governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Dougherty Valley Fund, San Ramon Housing Fund, DV GHAD fund, COP#12, and Capital Improvement Project Fund, all of which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the Supplemental Information section of this report.

An annual appropriated budget is adopted each year for each governmental fund. A budgetary comparison statement has been provided for several key governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22 to 28 of this report

Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Internal service funds are an accounting device used to accumulate costs internally among the City’s various functions. The City uses internal service funds to account for its City’s investments, equipment replacement, information systems replacement, insurance liability, healthcare, and infrastructure maintenance.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 30-33. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 104 to 147.

Fiduciary funds – The City is the trustee, or *fiduciary*, for certain funds held on behalf of developers and other community funds such as the San Ramon Valley Tourism Improvement District. Fiduciary 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 those funds are not available to support the City’s own programs. City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fiduciary fund financials can be found on pages 37-38.

Notes to the 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 can be found on pages 39 to 86 of this report.

Required Supplementary Information is in addition to the basic financial statements and accompanying notes. This report also presents certain “Required Supplementary Information” concerning the City’s pension liability, other post-employment benefits, and budget-to-actual financial comparisons for the General Fund and other major Special Revenue funds which can be found on pages 88 to 98.

Supplemental Information includes information for Certificates of Participation, major capital projects, non-major governmental, internal service, and agency funds, and is presented immediately following the required supplementary information pages 100 to 151.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34). The following analysis of the Government-Wide statements includes a comparison between current and prior year results of operations and year-end balances.

Statement of Net Position

Table 1 below focuses on the net position. The City's combined net position decreased \$15.6 million ending at \$490.1 million.

Table 1		
STATEMENT OF NET POSITION		
As of June 30, 2018 and 2017		
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and Restricted Assets	\$106,825,194	\$ 104,446,115
Capital Assets	<u>435,897,486</u>	<u>448,636,763</u>
Total Assets	<u>542,722,680</u>	<u>553,082,878</u>
Deferred Outflows of Resources	<u>18,396,737</u>	<u>17,425,177</u>
Long-term Liabilities Outstanding	23,483,703	25,672,456
Net Pension Liability	28,985,447	23,392,462
Other Liabilities	<u>16,685,131</u>	<u>14,490,836</u>
Total Liabilities	<u>69,154,281</u>	<u>63,555,754</u>
Deferred Inflows of Resources	<u>1,814,723</u>	<u>2,674,396</u>
Net Investment in Capital Assets	428,455,890	439,179,307
Restricted	76,793,600	76,664,534
Unrestricted	<u>(15,099,077)</u>	<u>(11,565,936)</u>
Total Net Position	<u>\$490,150,413</u>	<u>\$504,277,905</u>
Adjustment related to post- retirement benefits		<u>\$1,484,897</u>
Restated Net Position, June 30		<u>\$505,762,802</u>

The City's net position is made-up of three components: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. Restricted Net Position, the part of net position that is restricted for specific purposes, accounted for the majority of the City's governmental activities net position.

Total liabilities are \$69.2 million, the majority of which is non-current and due in more than one year. The non-current liability portion due in more than one year totals \$23.5 million for certificates of participation debt and pension obligation bonds, and \$29.0 million for the net pension liability required by GASB 68.

Statement of Activities

The Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (i.e. year-end). In contrast, the Statement of Activities provides details of how net position changed from the prior year. Generally, it indicates whether the financial health of the City as a whole is better at June 30, 2018, in relation to a year earlier. Table 2 below focuses on the changes in net position.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
REVENUES:		
Program Revenues:		
Charges for Services	\$13,114,680	\$11,214,119
Operating Contributions and Grants	33,704,789	35,947,470
Capital Contributions and Grants	3,770,000	30,233,200
General Revenues:		
Property Tax	19,559,287	18,478,700
Sales Tax	9,371,941	9,328,801
Transient Occupancy Tax	3,002,708	2,894,303
Franchise Tax	4,645,223	4,579,568
Property Transfer Taxes	793,167	915,674
Intergovernmental, Unrestricted	66,084	47,706
Investment Income	327,941	175,776
Miscellaneous & Special item	<u>2,512,357</u>	<u>471,260</u>
Total Revenues	<u>90,868,177</u>	<u>114,286,577</u>
EXPENSES:		
General Government	7,586,147	5,511,125
Community Development	3,744,036	3,811,113
Housing	1,255,134	532,789
Police Services	21,366,871	18,497,953
Public Works	60,581,855	57,528,031

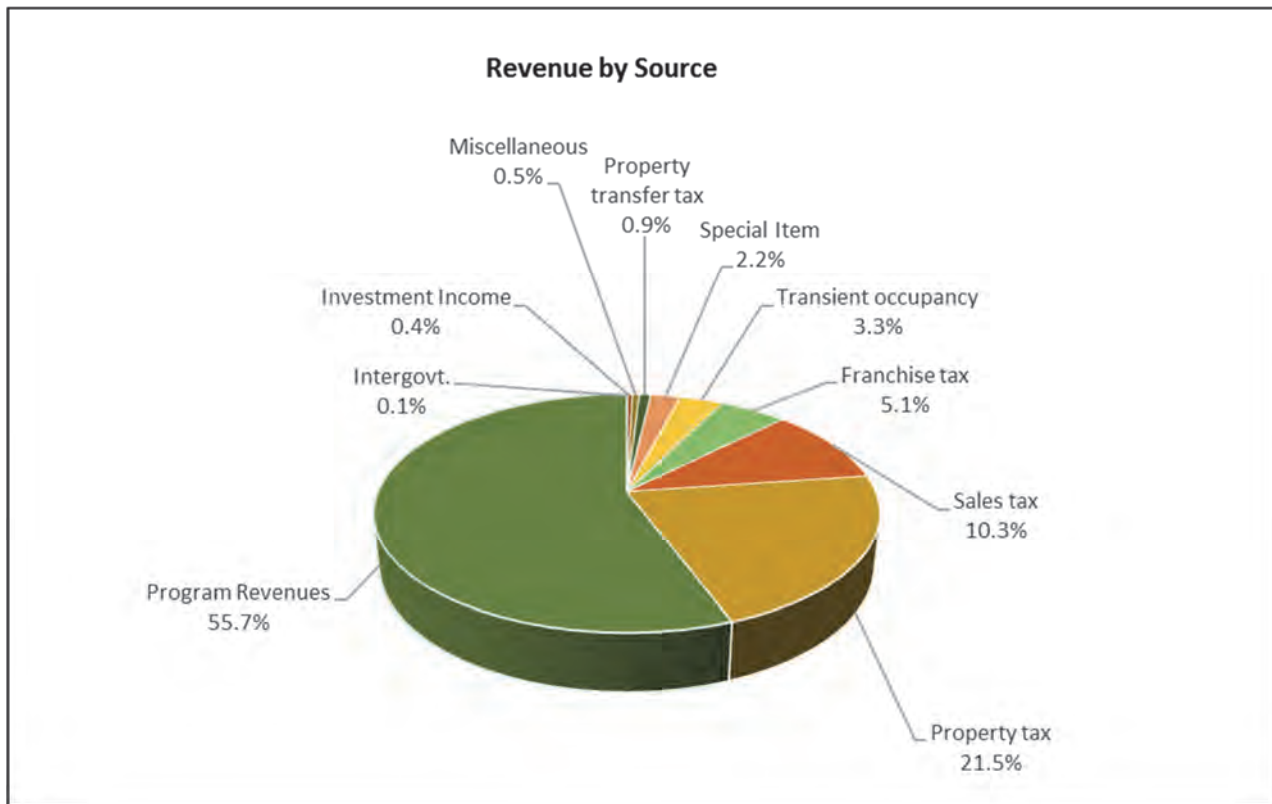
Parks and Community Services	10,596,399	9,235,946
Interest	<u>1,349,824</u>	<u>1,421,758</u>
Total Expenses	<u>106,480,566</u>	<u>96,538,715</u>
Change in Net Position	(15,612,389)	17,747,862
Net Position, July 1	<u>505,762,802</u>	<u>486,530,043</u>
Net Position, June 30	<u>\$490,150,413</u>	<u>\$504,277,905</u>
Adjustment related to post-retirement benefits		<u>\$1,484,897</u>
Restated Net Position, June 30		<u>\$505,762,802</u>

Revenue Highlights

Total revenues for governmental activities were \$90.9 million, a decrease of \$23.4 million from prior year. The decrease was accounted for primarily by a decrease of \$26.4 million in capital contributions from annexed infrastructure; offset by an increase in charges for services. Program revenue includes charges for services, grants and contributions. Program revenue provided \$50.6 million (56.0% of the total). General Revenues include taxes, intergovernmental revenues and investment income not restricted to specific programs. General revenues provided \$40.3 million (44.0% of the total).

The largest component of general revenue is property taxes at \$19.6 million, making up 21.5% of total revenue in the governmental funds. This is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes. The highest tax revenues received by the General Fund include property tax, sales tax, transient occupancy taxes and franchise fees.

The chart below presents revenue by source for Governmental Activities.

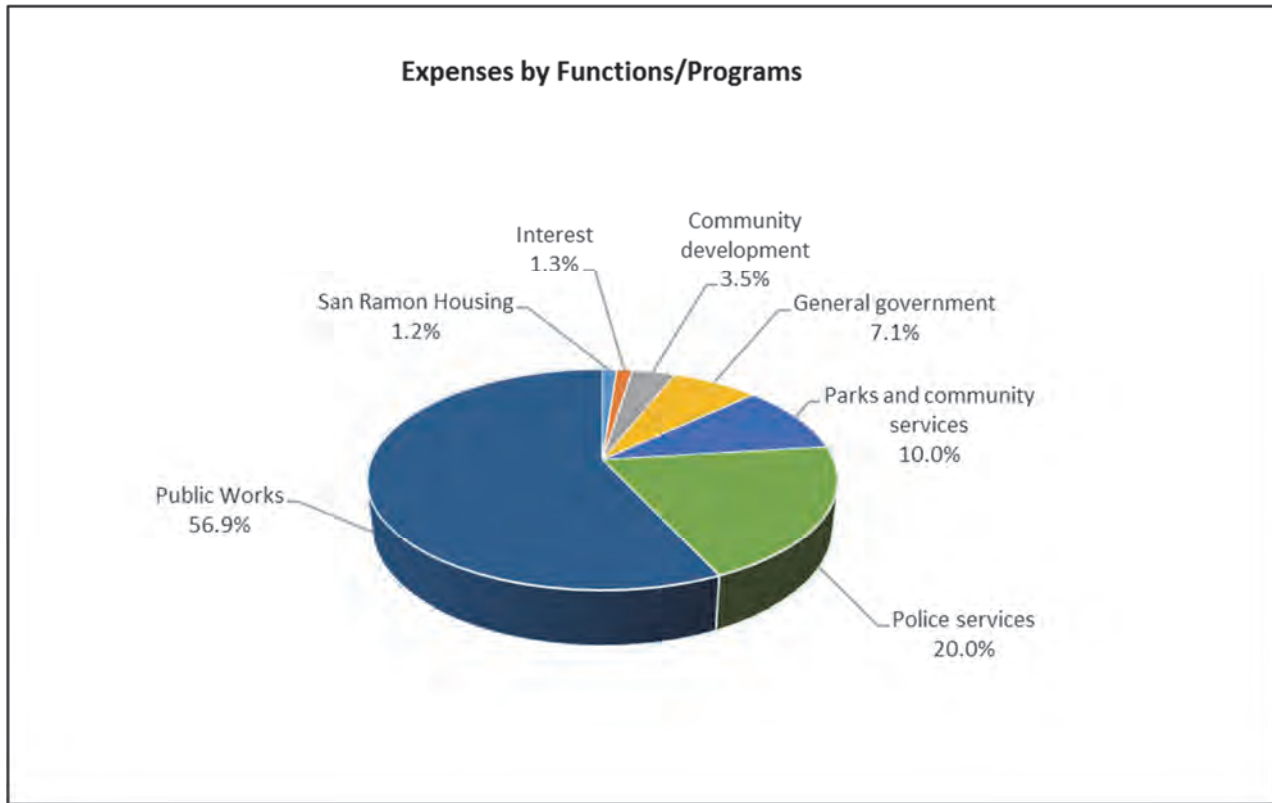


Expense Highlights

Functional expenses for the year totaled \$106.5 million, an increase \$10.0 million from the prior year. The increase is reflected in various departments due to depreciation expense on infrastructure and capital assets.

Public Works represents \$60.6 million (56.9%) of the total. A large portion of Public Works costs are funded from general revenues, primarily taxes and restricted revenues, such as special assessments and operating contributions.

The chart below presents expenses by source of Governmental Activities.



FUND FINANCIAL ANALYSIS

The City uses ***fund accounting*** to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

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 financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority by assigning resources for use for a particular purpose by the City’s Council.

As of the end of the current fiscal year, the City’s governmental funds reported a combined ending fund balance of \$84.2 million, a decrease of \$2.3 million from the prior year. This total includes a General Fund balance of \$7.4 million. The General Fund balance decreased \$2.5 million from the prior year. The General Fund is \$2.7 million stronger than estimated due to keeping expenditures below budget estimates.

Other major funds and non-major funds significant balance changes are noted below:

- The Dougherty Valley fund balance decreased by \$1.8 million due to an increase in costs to cover expansion of services for newly annexed infrastructure and maintenance of aging infrastructure.
- The San Ramon Housing fund balance decreased by \$1.2 million which reflects expenditures for Housing Programs and staffing and a loss on the sale of property.
- The DV GHAD fund balance increased by \$1.5 million due to the accumulation of assessment revenue received.
- The COP #12 fund balance decreased by \$1.6 million reflecting payments made for principal and interest.
- The Capital Improvement fund balance increased by \$2.5 million due to a delayed start for a portion of the Capital Improvement Projects.
- The Development Mitigation fund balance increased by \$0.4 million reflecting an increase in revenue received from developer fees.
- The Park Development fund balance decreased \$0.7 million which reflects funds spent on Capital Improvement Projects.
- The SCCJEPA fund balance increased \$1.3 million reflecting an increase in revenue from developer fees.
- The Street Maintenance and Improvement fund balance decreased \$0.7 million reflecting funds spent on Capital Improvement Projects.
- The Traffic Improvement fund balance increased \$0.6 million reflecting an increase in revenue received from developer fees.

Proprietary funds – The City’s proprietary funds statements provide the same type of information found in the Government-wide Financial Statements, but in more detail.

At the end of the fiscal year, total net position was \$13.8 million. Of that, the unrestricted net position was \$10.4 million and the net investment in capital assets was \$3.4 million. Net position of the proprietary funds increased by \$3.1 million due to an increase in funding transferred from the General fund to the Infrastructure Maintenance fund; offset by funds spent on Capital Improvement Projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. At end of the fiscal year, fund balance of the General Fund was \$7.4 million, compared to \$9.9 million in the prior year. The fund balance has been classified as \$0.2 million nonspendable and \$7.2 million as unassigned.

Revenues

The General Fund revenues are primarily derived from taxes, charges for services, and license and permits. The General Fund Revenues totaled \$51.1 million at year-end, which were \$1.4 million higher than the final budgeted revenues of \$49.6 million (see table 3).

<u>Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Taxes	\$ 37,956,719	\$ 37,956,719	\$ 37,372,326	\$ (584,393)
License and permits	2,062,950	2,062,950	2,683,899	620,949
Intergovernmental	200,855	200,855	356,696	155,841
Charges for services	6,454,627	6,454,627	7,463,956	1,009,329
Fines and forfeitures	399,500	399,500	347,815	(51,685)
Investment income	75,000	75,000	88,427	13,427
Miscellaneous	<u>2,491,117</u>	<u>2,491,117</u>	<u>2,744,981</u>	<u>253,864</u>
Total Revenues	<u>\$ 49,640,678</u>	<u>\$ 49,640,768</u>	<u>\$ 51,058,100</u>	<u>\$ 1,417,332</u>

- Taxes were \$0.6 million below the budget reflecting decreases in sales tax, and property transfer tax; offset by an increase in property tax, transient occupancy tax, and franchise fees
- Licenses and permits were \$0.6 million above budget reflecting an increase in building permits
- Intergovernmental revenue was \$0.2 million above budget reflecting an increase in grants
- Charges for services were \$1.0 million above budget reflecting an increase in inspection and plan check fees for development projects.
- Fines and forfeitures were \$0.1 million below budget reflecting a decrease in vehicle abatement fees
- Miscellaneous revenue was \$0.3 million above budget reflecting an increase in facility rentals and damage reimbursements

Expenditures

The General Fund expenditures totaled \$46.4 million, which were \$1.5 million less than the final budget of \$47.8 million. There were \$0.2 million of changes to the original budget compared to the final budget during the year. The actual spending coming in below budget reflected savings from vacant positions and a continued effort by the City to carefully control spending.

Table 4
SUMMARY OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
Fiscal Year Ended June 30, 2018

<u>Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
General Government	\$ 6,899,747	\$ 7,007,747	\$ 6,409,864	\$ 597,883
Community Development	3,585,540	3,585,540	3,329,243	256,297
Police Services	13,400,921	13,400,921	13,231,093	169,828
Public Works	14,986,321	15,051,258	14,581,462	469,796
Parks & Community Svcs	8,731,453	8,766,453	8,765,042	1,411
Debt Service	<u>0</u>	<u>0</u>	<u>43,312</u>	<u>(43,312)</u>
Total Expenditures	<u>\$ 47,603,982</u>	<u>\$ 47,811,919</u>	<u>\$ 46,360,016</u>	<u>\$ 1,451,903</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 5 below summarizes the City's capital assets by class. Capital assets are reported at historical cost, net of accumulated depreciation. These amounts do not represent the market value or replacement cost of City assets, which would be significantly higher. Historical cost is used, pursuant to accounting standards, to provide an objective basis for reporting capital assets.

At the end of 2018, the City had \$435.9 million invested in a broad range of capital assets, including land, streets, bridges, drainage systems, traffic lights, parks, buildings, vehicles and equipment.

Table 5
CAPITAL ASSETS
As of June 30, 2018 and 2017

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Non Depreciable		
Land	\$42,275,381	\$40,233,536
Construction in Progress	8,752,827	14,984,000
Depreciable, Net of Accumulated Depreciation		
Park Improvements	25,743,954	27,699,992
Buildings and Improvements	69,209,121	64,728,298
Machinery, Furniture and Equipment	3,384,202	3,074,644
Infrastructure	<u>286,532,001</u>	<u>297,916,293</u>
Total Capital Assets	<u>\$435,897,486</u>	<u>\$448,636,763</u>

The City’s fiscal year 2018-2019 capital budget calls for spending \$11.3 million for capital projects. The majority of spending is for pavement management, Crow Canyon road widening, citywide parks amenities, open space preservation, street landscape planting renovation, and Bollinger Canyon & Crow Canyon roads traffic signals. Most of the projects will be financed with funds that have been designated by an outside party for specific use. Additional information about the capital assets can be found in Note 7 to the Notes to the Financial Statements.

Debt Administration

At year-end, the City’s governmental activities had \$23.5 million in bonds, notes and contracts as shown in Table 6. This was \$2.2 million less than 2017 reflecting reductions for payments of annual principal on debt. Additional information about the City’s long-term obligations can be found in Note 8 in the Notes to the Financial Statements.

Table 6 OUTSTANDING DEBT As of June 30, 2017 and 2018		
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Certificates of Participation	\$5,862,278	\$7,421,889
Pension Obligation Bonds	15,860,000	16,215,000
Capital Lease	<u>1,761,425</u>	<u>2,035,567</u>
Total Debt	<u>\$23,483,703</u>	<u>\$25,672,456</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

In preparing the budget for 2018-2019, management looked at the following economic factors:

- The economy is showing steady economic growth at the national, state and regional level. Locally, the City expects to see slow revenue growth and is still taking a conservative approach to spending which is reflected in the FY 2018-19 budget. The budget also includes uses of reserves for Dougherty Valley subsidy, debt service, pavement management, and deferred infrastructure maintenance. The details of department staffing increases are as follows:
 - The Police Services Department added one (1) Police Services Technician
 - The Parks & Community Services restructuring by reclassifying three (3) Recreation Technicians to Recreation Coordinators
 - The Public Works department restructuring within the Public Services Division
- Employees are required to make an additional contribution to their retirement plan which helps to offset the increase in pension costs.

- State budget: In the State Adopted 2018-19 Budget, it was reported that California’s budget would have a substantial one time surplus. Revenues have continued to grow, capital gains are projected to be at an all-time high and unemployment is at an all-time low. The State is preparing for the next recession by adding more money to the rainy day fund. The proposed use of surplus is on one-time spending to address infrastructure needs, the homelessness problem, and mental health issues.
- Continued growth is expected in major revenue sources such as Property taxes, and Franchise fees.
- Continued expansion of City services in the Dougherty Valley area east of the current City limits, a County Service Area per existing agreements with the Contra Costa County, will have increases in special assessment revenues over the next few years as well as cost increases for delivering services to the area.

The City budget plan will continue to maintain reserves in the General Fund and the special funds (Dougherty Valley and Bond Funds) in excess of the 40% combined reserve policy level. The expenditure budget was developed to maintain core City services. This required expenditure adjustments in various categories to offset benefits increasing due to rising pension costs.

The City continues to grow with significant additions of land and population through annexations in the Dougherty Valley area. The 2018-2019 budget is a reflection of the City’s commitment to the residents of San Ramon. The City’s historically conservative approach of maintaining a high level of operating reserves has provided a cushion against economic uncertainties. For the 2018-2019 fiscal year, the City has made a commitment to allocate resources for public safety, cultural/social programs, and infrastructure improvements. A copy of the City’s 2018-2019 budget can be obtained by contacting the City Administrative Services Department (See below) or via the City’s website at www.ci.san-ramon.ca.us.

CONTACTING THE CITY’S FINANCIAL MANAGMENT

This Financial Report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Department, City of San Ramon, 7000 Bollinger Canyon Road, San Ramon, California 94583 or by calling (925) 973-2514.



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CITY OF SAN RAMON
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments (Note 3)	\$81,081,326
Restricted cash and investments (Note 3)	2,108,067
Receivables:	
Accounts	12,977,541
Interest	285,081
Notes and loans (Note 5)	5,723,175
Loan receivable from Successor Agency (Note 6)	2,359,887
Net OPEB assets (Note 12)	407,222
Prepaid and deposits	132,095
Land held for resale (Note 1 (k))	1,750,800
Capital assets (Note 7):	
Capital assets not being depreciated	51,028,208
Capital assets being depreciated, net	384,869,278
Total assets	542,722,680
DEFERRED OUTFLOWS	
Related to pension (Note 10)	17,328,645
Related to OPEB (Note 12)	885,985
Unamortized loss on refunding of debt (Note 8)	182,107
Total Deferred Outflows	18,396,737
LIABILITIES	
Accounts payable and accrued expenses	9,847,813
Interest payable	105,773
Deposits payable	816,078
Unearned revenue	1,129,899
Claims and judgments payable, due within one year (Note 13):	23,560
Compensated absences (Note 1 (j)):	
Due within one year	466,833
Due in more than one year	4,295,175
Long-term liabilities (Note 8):	
Due within one year	2,059,692
Due in more than one year	21,424,011
Net Pension Liability (Note 10)	28,985,447
Total liabilities	69,154,281
DEFERRED INFLOWS	
Related to pension (Note 10)	1,667,501
Related to OPEB (Note 12)	147,222
Total Deferred Inflows	1,814,723
NET POSITION (Note 9):	
Net investment in capital assets	428,455,890
Restricted for:	
Housing	10,502,697
Public, educational, and governmental programs	770,522
Capital projects	24,096,468
Public works	11,119,641
Debt service	12,425,829
Streets and roads	14,051,169
Public safety	239,464
Culture and recreation	212,023
Lighting, Landscaping, and Special Zones	3,375,787
Total restricted net position	76,793,600
Unrestricted net position	(15,099,077)
Total net position	\$490,150,413

See accompanying notes to financial statements

CITY OF SAN RAMON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
General government	\$7,586,147	\$337,446	\$1,405,580		(\$5,843,121)
Community development	3,744,306	4,446,488	669,864		1,372,046
San Ramon Housing	1,255,134				(1,255,134)
Police services	21,366,871	486,757	349,183		(20,530,931)
Public works	60,581,885	2,421,581	31,155,359	\$3,770,000	(23,234,945)
Parks and community services	10,596,399	5,422,408	124,803		(5,049,188)
Interest expense and other charges	1,349,824				(1,349,824)
Total Governmental Activities	\$106,480,566	\$13,114,680	\$33,704,789	\$3,770,000	(55,891,097)
General revenues:					
Taxes:					
Property					19,559,287
Sales and use					9,371,941
Transient occupancy					3,002,708
Franchise					4,645,223
Property transfer					793,167
Intergovernmental, unrestricted					66,084
Interest income					327,941
Miscellaneous					470,512
Special Item:					
Assets transferred from the Successor Agency (Note 7)					2,041,845
Total general revenues and special item					40,278,708
Change in Net Position					(15,612,389)
Net Position-Beginning, as adjusted (Note 1(q))					505,762,802
Net Position-Ending					\$490,150,413

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City in fiscal year 2018. Individual nonmajor funds may be found in the Supplementary Information section.

General Fund

Accounts for all financial resources of the City, except those required to be accounted for in another fund.

Dougherty Valley Special Revenue Fund

Accounts for revenue received from Contra Costa County as reimbursements for a variety of municipal services, including police protection, and street and park maintenance, to be provided by the City. Per a Memorandum of Understanding with the County, the City is required to separately track the costs of service provided in the Dougherty Valley Area and submit claims for reimbursements for costs to the County.

San Ramon Housing Special Revenue Fund

Accounts for expenditures for housing activities of the City of San Ramon. The City Council adopted Resolution No. 2013-063, on June 11, 2013, thereby electing to assume the housing functions from the Successor Agency's Low/Mod Income Housing Set Aside fund.

Geological Hazard Abatement District (GHAD) – Dougherty Valley Special Revenue Fund

Accounts for expenditures to prevent, mitigate, abate or control a geologic hazard; and to mitigate or abate structural hazards that are partly or wholly caused by geologic hazard.

COP # 12 Debt Service

Accounts for debt service activity relating to the 2011 Certificates of Participation.

Capital Improvements Capital Projects Fund

Accounts for expenditures for major infrastructure improvements of roads; sidewalks; City facilities, including parks; as well as for the procurement of major pieces of equipment.

CITY OF SAN RAMON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General Fund	Special Revenue		
		Dougherty Valley	San Ramon Housing	GHAD - Dougherty Valley Fund
ASSETS				
Cash and investments (Note 3)	\$4,276,735		\$1,021,281	\$10,652,269
Restricted cash and investments (Note 3)				
Receivables:				
Accounts	2,919,405	\$8,426,719		2,588
Notes and loans (Note 5)	115,613		5,602,637	
Interest	35,008			34,989
Due from other funds (Note 4 (a))	5,446,241			
Loan receivable from Successor Agency (Note 6)			2,359,887	
Land held for resale (Note 1 (k))			1,750,800	
Prepays and deposits	92,310	25,171		
Total Assets	\$12,885,312	\$8,451,890	\$10,734,605	\$10,689,846
LIABILITIES				
Accounts payable	\$1,425,940	\$1,069,020	\$231	\$87,332
Accrued payroll	2,447,886	651,225	36,677	12,418
Due to other funds (Note 4 (a))		5,329,268		
Deposits payable	431,670		195,000	
Unearned revenue	1,129,899			
Total Liabilities	5,435,395	7,049,513	231,908	99,750
FUND BALANCES (Note 9)				
Nonspendable	207,923	25,171		
Restricted		1,377,206	10,502,697	10,590,096
Committed				
Unassigned	7,241,994			
TOTAL FUND BALANCES	7,449,917	1,402,377	10,502,697	10,590,096
Total liabilities and fund balances	\$12,885,312	\$8,451,890	\$10,734,605	\$10,689,846

See accompanying notes to financial statements

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
<u>COPS #12</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Improvements</u>	<u>Funds</u>	<u>Funds</u>
\$11,031,786	\$26,646,632	\$19,041,272	\$72,669,975
		8,067	8,067
	101,889	1,093,300	12,543,901
		4,925	5,723,175
36,334	84,595	61,365	252,291
			5,446,241
			2,359,887
			1,750,800
	11,396	3,218	132,095
<u>\$11,068,120</u>	<u>\$26,844,512</u>	<u>\$20,212,147</u>	<u>\$100,886,432</u>
	\$2,584,694	\$755,926	\$5,923,143
	28,122	151,226	3,327,554
		116,973	5,446,241
	139,388	50,020	816,078
			1,129,899
	<u>2,752,204</u>	<u>1,074,145</u>	<u>16,642,915</u>
	11,396	3,218	247,708
\$11,068,120	24,080,912	18,107,257	75,726,288
		1,027,527	1,027,527
			7,241,994
<u>11,068,120</u>	<u>24,092,308</u>	<u>19,138,002</u>	<u>84,243,517</u>
<u>\$11,068,120</u>	<u>\$26,844,512</u>	<u>\$20,212,147</u>	<u>\$100,886,432</u>

CITY OF SAN RAMON
RECONCILIATION OF
GOVERNMENTAL FUNDS - BALANCE SHEET
WITH THE
STATEMENT OF NET POSITION
JUNE 30, 2018

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$84,243,517

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. 432,513,284

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:

Long-term debt	(23,483,703)
Unamortized loss on refunding of debt	182,107
Interest payable	(105,773)
Deferred outflow related to pension	17,328,645
Net Pension liability	(28,985,447)
Deferred inflow related to pension	(1,667,501)
Compensated absences	(4,762,008)
Deferred outflow related to OPEB	885,985
Net OPEB asset	407,222
Deferred inflow related to OPEB	(147,222)
Claims payable	(23,560)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position

13,764,867

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$490,150,413

See accompanying notes to financial statements



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CITY OF SAN RAMON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Dougherty Valley	Special Revenue San Ramon Housing
REVENUES			
Taxes	\$37,372,326		
Licenses and permits	2,683,899		
Intergovernmental	356,696	\$16,031,240	
Developer fees			
Charges for services	7,463,956	843	
Fines and forfeitures	347,815		
Investment income	88,427		\$19,976
Special assessments			
Miscellaneous	2,744,981	124,084	
Total Revenues	<u>51,058,100</u>	<u>16,156,167</u>	<u>19,976</u>
EXPENDITURES			
Current:			
General government	6,409,864		
Community development	3,329,243		
Housing			636,572
Police services	13,231,093	7,768,533	
Public works	14,581,462	11,192,734	
Parks and community service	8,765,042		
Capital outlay			
Debt service:			
Principal	40,145	23,576	
Interest and fees	3,167	1,860	
Total Expenditures	<u>46,360,016</u>	<u>18,986,703</u>	<u>636,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,698,084</u>	<u>(2,830,536)</u>	<u>(616,596)</u>
OTHER FINANCING SOURCES (USES)			
Loss from sale of property			(636,459)
Transfers in (Note 4 (b))	2,395,045	2,000,000	
Transfers (out) (Note 4 (b))	(9,553,015)	(952,163)	
Total Other Financing Sources (Uses)	<u>(7,157,970)</u>	<u>1,047,837</u>	<u>(636,459)</u>
NET CHANGE IN FUND BALANCES	(2,459,886)	(1,782,699)	(1,253,055)
FUND BALANCE AT THE BEGINNING OF YEAR	<u>9,909,803</u>	<u>3,185,076</u>	<u>11,755,752</u>
FUND BALANCES AT END OF YEAR	<u><u>\$7,449,917</u></u>	<u><u>\$1,402,377</u></u>	<u><u>\$10,502,697</u></u>

See accompanying notes to financial statements

<u>GHAD - Dougherty Valley Fund</u>	<u>Debt Service COPS #12</u>	<u>Capital Projects Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
				\$37,372,326
\$3,840				2,687,739
71,589		\$130,597	\$3,937,470	20,527,592
			3,475,588	3,475,588
			372,030	7,836,829
			111,125	458,940
\$39,518		99,438	80,649	328,008
1,800,666			4,974,864	6,775,530
42,936		655,217	2,026,562	5,593,780
<u>1,958,549</u>		<u>885,252</u>	<u>14,978,288</u>	<u>85,056,332</u>
				6,409,864
			35,285	3,364,528
				636,572
			152	20,999,778
431,923			5,529,994	31,736,113
				8,765,042
		10,550,008	4,177	10,554,185
	\$1,295,000		785,421	2,144,142
	286,594		1,088,264	1,379,885
<u>431,923</u>	<u>1,581,594</u>	<u>10,550,008</u>	<u>7,443,293</u>	<u>85,990,109</u>
<u>1,526,626</u>	<u>(1,581,594)</u>	<u>(9,664,756)</u>	<u>7,534,995</u>	<u>(933,777)</u>
				(636,459)
		12,587,396	2,248,427	19,230,868
(74,852)		(469,041)	(8,942,381)	(19,991,452)
<u>(74,852)</u>		<u>12,118,355</u>	<u>(6,693,954)</u>	<u>(1,397,043)</u>
1,451,774	(1,581,594)	2,453,599	841,041	(2,330,820)
<u>9,138,322</u>	<u>12,649,714</u>	<u>21,638,709</u>	<u>18,296,961</u>	<u>86,574,337</u>
<u>\$10,590,096</u>	<u>\$11,068,120</u>	<u>\$24,092,308</u>	<u>\$19,138,002</u>	<u>\$84,243,517</u>

CITY OF SAN RAMON
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$2,330,820)

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

CAPITAL ASSETS TRANSACTIONS

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

Capital outlay is therefore added back to fund balance	10,554,185
Non-capitalized expenditures is deducted from fund balance	(9,075,836)
Contributed capital assets are added to fund balance	3,770,000
Depreciation expense is deducted from the fund balance	(20,339,029)
Net of internal service fund depreciation of \$917,637 which has already been allocated to internal service funds	
Capital assets transferred from the Successor Agency	2,041,845

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but
issuing debt increases long-term liabilities in the Statement of Net Position.
Repayment of bond principal is an expenditure in the governmental funds, but
in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	2,144,142
Amortization of premium is added back to fund balance	44,611
Amortization of loss on refunding is deducted from fund balance	(26,015)

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):

Long-term compensated absences	(445,631)
Interest payable and accrued liabilities, included in accrued liabilities	11,465
Claims payable	23,627

Net Pension Liability Transactions

Governmental funds record pension expense as it is paid. However,
in the Statement of Activities those costs are reversed as deferred outflows/(inflows)
and an increase/(decrease) in net pension liability. (4,474,500)

Net OPEB Asset Transactions

Governmental funds record OPEB expense as it is paid. However,
in the Statement of Activities those costs are reversed as deferred outflows/(inflows)
and an increase/(decrease) in net pension liability. (574,037)

Internal service funds are used by management to charge the costs
of certain activities, such as equipment management, to individual
funds. The net revenues (expenses) of the internal service funds is
reported with governmental activities. 3,063,604

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (\$15,612,389)

See accompanying notes to financial statements

PROPRIETY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

CITY OF SAN RAMON
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$8,411,351
Restricted cash and investments (Note 3)	2,100,000
Accounts receivable	433,640
Interest receivable	32,790
Total Current Assets	10,977,781
Non-current assets:	
Depreciable capital assets, net of accumulated depreciation (Note 7)	3,384,202
Total Assets	14,361,983
LIABILITIES	
Current liabilities	
Accounts payable	493,542
Accrued payroll	103,574
Total Liabilities	597,116
NET POSITION (Note 9)	
Net investment in capital assets	3,384,202
Unrestricted	10,380,665
Total Net Position	\$13,764,867

See accompanying notes to financial statements

CITY OF SAN RAMON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service Funds
Operation revenues:	
Charges for services	\$12,289,079
Miscellaneous	31,646
Total operating revenues	12,320,725
Operating expenses:	
Personnel services	988,287
Services and supplies	5,977,434
Claims and insurance	2,453,803
Depreciation	917,637
Total operating expenses	10,337,161
Operating loss	1,983,564
Non-operating revenue:	
Investment income	82,853
Intergovernmental	236,603
Total non-operating revenues	319,456
Loss before transfers	2,303,020
Transfers:	
Transfer in (Note 4 (b))	3,958,409
Transfer (out) (Note 4 (b))	(3,197,825)
Total transfers	760,584
Change in net position	3,063,604
Net position - beginning of year	10,701,263
Net position - end of year	\$13,764,867

See accompanying notes to financial statements

CITY OF SAN RAMON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from department users	\$11,961,176
Cash payments to suppliers of goods and services	(5,611,918)
Cash payments to employees and services	(3,433,084)
Net cash provided by operating activities	2,916,174
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental	236,603
Transfers in	3,958,409
Transfers (out)	(3,197,825)
Cash Flows from Noncapital Financing Activities	997,187
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,261,798)
Cash Flows from Capital and Related Financing Activities	(1,261,798)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings received	82,853
Cash Flows from Investing Activities	82,853
Net change in cash and cash equivalents	2,734,416
Cash and investments at beginning of year	7,776,935
Cash and investments at end of year	\$10,511,351

CITY OF SAN RAMON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$1,983,564
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	917,637
Change in assets and liabilities:	
Accounts receivable	(346,318)
Interest receivable	(13,231)
Prepays and deposits	55,429
Accounts payable	310,087
Accrued payroll	9,006
	\$2,916,174
Net cash provided by operating activities	\$2,916,174

See accompanying notes to financial statements



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FIDUCIARY FUNDS

Private-purpose trust fund is used to account for monies received from the Contra Costa County Auditor Controller for the repayment of the enforceable obligations of the San Ramon Successor Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.



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CITY OF SAN RAMON
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

	Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments (Note 3)	\$4,406,025	\$417,337
Restricted cash and investments (Note 3)	1	
Notes and loans	9,605	
Interest receivable	9,416	947
Capital assets, not depreciated	4,746,608	
Total Assets	9,171,655	\$418,284
LIABILITIES		
Accounts payable		\$1,070
Accrued payroll	8,866	
Interest payable	943,380	
Due to bondholders		65,825
Due to other governments		351,389
Loan payable to City (Note 6)	2,359,887	
Long-term debt:		
Due in less than one year	895,000	
Due in more than one year	61,143,051	
Total Liabilities	65,350,184	\$418,284
NET POSITION		
Held in trust for private purpose	(\$56,178,529)	

See accompanying notes to financial statements

CITY OF SAN RAMON
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Funds
ADDITIONS	
Taxes	\$5,540,551
Miscellaneous	21,270
Total additions	5,561,821
DEDUCTIONS	
Community development	220,749
Debt service:	
Interest and fiscal charges	2,024,124
Total deductions	2,244,873
SPECIAL ITEMS	
Assets transferred to the City of San Ramon (Note 7)	2,041,845
Total special items	2,041,845
Change in net position	1,275,103
Net position - beginning of year	(57,453,632)
Net position - end of year	(\$56,178,529)

See accompanying notes to financial statements

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The City of San Ramon (the “City”) was incorporated in 1983 as a Charter City and operates under a Council/Manager form of government. The Council is composed of five members. As required by generally accepted accounting principles, the financial statements present the government and its component unit for which the government is considered financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government’s operations and so data from this unit is combined with the data of the primary government. The blended component unit as described below has a June 30 year end.

Blended Component Unit

The San Ramon Public Financing Authority (the “Authority”) was formed in 1987 as a joint powers authority between the City and the Authority in order to provide financial assistance to the City and the Authority by issuing debt and financing the construction of public facilities. The members of the City Council also act as the governing board of the Authority. Separate financial statements are not issued for the Authority.

(b) Government-wide and Fund 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with 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 of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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 are reported as separate columns in the fund financial statements.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the 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. Agency funds, however, are unlike all other fund types, reporting only assets and liabilities. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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.

Property taxes, franchise taxes, licenses, charges for services, intergovernmental revenue and interest associated with the current fiscal 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 assessments 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 government. Inventories are reported in the governmental funds using the purchase method. Inventories are valued on a first-in-first-out basis and since they are held for the City's own use, they are not adjusted to reflect changes in their market value.

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 City, except those required to be accounted for in another fund.

The Dougherty Valley Special Revenue Fund is used to account for revenue received from Contra Costa County as reimbursements for a variety of municipal services, including police protection, and street and park maintenance, to be provided by the City. Per a Memorandum of Understanding with the County, the City is required to separately track the costs of service provided in the Dougherty Valley Area, and submit claims for reimbursements for costs to the County.

The San Ramon Housing Special Revenue Fund is used to account for expenditures for housing activities of the City of San Ramon. The City Council adopted Resolution No. 2013-063, on June 11, 2013, thereby electing to assume the housing functions from the Successor Agency's Low/Mod Income Housing Set Aside Fund.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The GHAD – Dougherty Valley Special Revenue Fund is used to account for expenditures to prevent, mitigate, abate or control a geologic hazard; and to mitigate or abate structural hazards that are partly or wholly caused by geologic hazard.

The COP # 12 Debt Service Fund is used to account for debt service activity related to the 2011 Certificates of Participation.

The Capital Improvement Capital Projects Fund is used to account for expenditures for major infrastructure improvements of roads, sidewalks, City facilities, including parks, as well as for the procurement of major pieces of equipment.

In addition, the City reports the following fund types:

Proprietary Fund Type

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to other departments on a cost-reimbursement basis. The City has six internal service funds – The Investment Fund is for investment management, the Equipment Replacement Fund is for recording the equipment and depreciation thereon, the Information Systems Replacement Fund is for recording computer equipment, the Insurance Liability Fund is used to provide for the general liability and other claims against the City, the Healthcare Fund is used for payment of medical, dental, vision premiums and claims, and the Infrastructure Maintenance Fund is used for the cost of maintaining City buildings.

Fiduciary Fund Types

Private-purpose Trust Fund is used to account for monies received from the Contra Costa County Auditor Controller for repayment of the enforceable obligations of the San Ramon Successor Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or - other governments, in accordance with the conditions of the agreements. Agency funds are purely custodial and thus do not involve measurement of results of operations. The City has five agency funds – Fostoria Assessment District Fund, Cree Court Assessment District Fund, Southern Contra Costa Joint Exercise of Powers Agreement (SCCJEPA) Trust Fund, San Ramon Valley Tourism Improvement District (TID), and Dougherty Valley (DV) Performing Arts Theater Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then use unrestricted resources as needed.

(d) New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This statement is effective for the 2017-2018 fiscal year.

Governmental Accounting Standards Board (GASB) Statement No. 81 – *Irrevocable Split-Interest Agreements*. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement is effective for the 2017-2018 fiscal year.

Governmental Accounting Standards Board (GASB) Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement is effective for the 2017-2018 fiscal year.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(d) *New Accounting Pronouncements, continued*

Governmental Accounting Standards Board (GASB) Statement No. 86 - *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for the 2017-2018 fiscal year.

(e) *Cash and Investments*

For purposes of the statement of cash flows of the proprietary funds, all cash and investments with an original maturity of 90 days or less are considered to be cash and cash equivalents. The City pools its investment funds for maximum return.

Investments are included within the financial statement classifications of “Cash and investments” and “Cash and investments – restricted” and are stated at fair value.

The City has adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Pools* (GASB 31), which require governmental entities to report certain investments at fair value in the financial statements and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB 31, the City has adjusted certain investments to fair value.

(f) *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(g) Capital Assets

Capital assets, which include land, machinery, equipment (vehicles, computers, etc.), buildings and improvements, and infrastructure assets (roads, bridges, etc.), are reported in the statements of net position. Capital assets are defined by the City as all land and buildings; vehicles, and equipment with an initial individual cost of more than \$5,000; improvements and infrastructure assets with costs of more than \$100,000. Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is recorded on a straight-line basis over the useful life of the assets as follows:

Parks improvements	25 years
Buildings and improvements	25 to 50 years
Machinery, improvements and equipment	3 to 10 years
Infrastructure assets	10 to 100 years

Infrastructure assets includes pavement/roads, storm drains, sidewalks, landscaping, curb and gutters, street lights, traffic signals, bridges, culverts, catch basins, retaining and sound walls, v-ditches, drainage structures and fencing.

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

(h) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position or balance sheet 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 or resources (revenue) until that time.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(i) Long-Term Debt

In the government-wide statements long-term debt is recorded as liability in the Statement of Net Position.

(j) Employee Compensated Absences

City employees may receive from twelve to twenty two days vacation time each year, depending upon length of service. An employee may accumulate earned vacation time up to a maximum of two years' worth of accrued vacation leave. Upon termination, employees are paid the full value of their unused vacation and compensatory time at their existing salary. City employees may accrue twelve days of sick leave each year. Upon termination, employees are paid 25-50 percent depending on length of service, of the value of their unused sick leave balance at their existing salary. There is no fixed payment schedule for employee compensated absences. The liability will be paid from future resources primarily from the insurance liability internal service fund.

The changes of the compensated absences in fiscal year 2017-18 were as follows:

	Governmental Activities
Beginning Balance	\$4,316,377
Additions	809,487
Payments	(363,856)
Ending Balance	\$4,762,008
Current Portion	\$466,833

(k) Land Held for Resale

Land held for resale of \$1,750,800 at June 30, 2018 is stated as the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing housing projects.

(l) Property Taxes

Property taxes are assessed, collected and allocated by the County of Contra Costa.

The duties of assessing and collecting property taxes are performed by the County of Contra Costa Assessor and Tax Collector, respectively. Under the County's "Teeter Plan," the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach annually on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date.

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(m) Claims and Judgments

When it is probable that a claim liability has been incurred, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2018, in the opinion of the City Attorney, the City had no material claims, which require loss provisions in the financial statements. Small claims and judgments are recorded as expenditures when paid.

The City's self-insurance program is administered through the Municipal Pooling Authority (the MPA), which is described at Note 13(a). The MPA is a public entity risk pool, which is accounted for under the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* (GASB 10). Claim losses recorded in the MPA include both current claims and Incurred But Not Reported (IBNR) claims. Deposits to the MPA are recorded by the City as insurance expenditures in the General Fund when paid. These deposits are subject to retrospective adjustment. Favorable claims experience result in a refund of deposits from the MPA and such refunds, if any, are recorded as a reduction of insurance expenditures in the year received. Adverse claims experience result in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when paid.

(n) Allocation of Investment Earnings Among Funds

The City pools all nonrestricted cash for investment purchases and allocates interest income and gains and losses in market value based on month-end cash balances. Funds that have restricted cash record interest income in the respective fund.

(o) Estimates

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

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

1. Summary of Significant Accounting Policies, continued

(p) 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.

(q) Prior Period Adjustment

The implementation of GASB Statement No. 75 required the City to make prior period adjustments. As a result, the beginning net position of the Governmental Activities were increased by \$1,484,897. See Note 12 for additional information.

(r) OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

2. Stewardship, Compliance and Accountability

(a) Budgetary Accounting

The City Council adopts an Annual Budget, in accordance with generally accepted accounting principles, no later than the second meeting of June of each year for the fiscal year commencing the following July 1. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During May of each year, the City Manager submits to the City Council a proposed budget for the next fiscal year. Copies are made available to the public, the press, and staff members.
2. A series of Council work sessions are held at which the recommended budget is reviewed in detail and the departments (as requested) provide additional information.
3. After review by the City Council, a public hearing is conducted for the purpose of receiving public input on the recommended operating and capital budgets, the Master Fee Schedule, and the Appropriation Limit.
4. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted, in late June, by the City Council through passage of appropriate resolutions.
5. Generally, the budget is amended in the middle of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review. Expenditures may not exceed budgeted appropriations at the fund level.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2018, based on calculations by City Management, proceeds of taxes did not exceed related appropriations.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

<i>Statement of Net Position</i>	Amount
Cash and investments	\$81,081,326
Cash and investments - restricted	2,108,067
<i>Statement of Fiduciary Net Position</i>	
Cash and investments:	
Private Purpose Trust Fund	4,406,025
Agency Funds	417,337
Cash and investments - restricted:	
Private Purpose Trust Funds	1
Total Cash and investments	\$88,012,756
<i>Cash and investments as of June 30, 2018 consisted of the following:</i>	
Cash on hand	\$5,925
Deposits with financial institutions	8,309,945
Investments	79,696,886
	\$88,012,756

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy; nor does the table address the investment of funds set aside for the payment of retiree health care benefits which are governed by a separate less restrictive section of the California Government Code.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality**	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
Bankers' Acceptances	180 days	P-1/ A-1+	40%	2%
Commercial Paper	270 days	A-1/P-1/F-1	25%	10%
FDIC Insured Certificates of Deposit	5 years	None	None	\$250,000
Federal Agency Securities	5 years	None	None	50%
Local Agency Bonds	5 years	Aa3/AA-/AA-	None	10% San Ramon / 2% other Municipal Securities
Local Agency Investment Fund (LAIF)	N/A	None	15%	\$40 million
Medium-Term Corporate Notes	5 years	Aa3/AA-/AA-	30%	2%
Money Market Mutual Funds	None	Aaa/AAA	20%	10%
Negotiable Order of Withdrawal	N/A	AA	\$3,500,000	None
Negotiable Time Certificates of Deposit	5 years	Aa2/AA	30%	2%
Repurchase Agreements	30 days	None	30%	50%
State of CA Bonds	5 years	Aa3/AA/AA	None	None
State of CA Obligations	5 years	AA3/AA-	3%	3%
Supranational Debt Organizations	5 years	AA	30%	5%
U.S. Treasury Obligations	5 years	None	None	None

* Excluding amounts held by bond trustee and funds invested for the payment of retiree health care benefits.

** At time of purchase

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(b) Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer	Minimum Credit Quality
Bankers' Acceptances	366 days	None	40%	A-1
Commercial Paper	270 days	None	None	A-1, AAA
Federal Agency Obligations	3 years	None	None	AAA
Federal Agency Securities	None	None	None	None
Investment Agreements	30 years	None	None	None
Local Agency Bonds	None	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	15%	None
Medium-Term Corporate Notes	5 years	None	None	None
Money Market Funds	N/A	None	None	AAA
Mortgage-backed Securities	None	None	None	None
Municipal Bonds	None	None	None	AAA
U.S. Treasury Obligations	None	None	None	None

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(c) Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
Federal Agency Securities	\$16,123,947	\$8,864,920	\$18,594,835	\$43,583,702
U.S. Treasury Notes	4,980,620		3,909,640	8,890,260
Municipal Securities			488,695	488,695
Medium-Term Corporate Notes	996,300	985,850	1,986,560	3,968,710
Negotiable Time Certificates of Deposit	740,698	488,225	3,125,687	4,354,610
Commercial Paper	9,470,048			9,470,048
Money Market Mutual Funds	2,728,312			2,728,312
Supranational Obligations	997,890	1,974,260	986,550	3,958,700
Local Agency Investment Fund (LAIF)	145,782			145,782
Held by trustee:				
Money Market Mutual Funds	8,067			8,067
PARS Trust - Mutual Funds	2,100,000			2,100,000
Total Investments	<u>\$38,291,664</u>	<u>\$12,313,255</u>	<u>\$29,091,967</u>	79,696,886
Cash in banks and on hand				<u>8,315,870</u>
Total Cash and Investments				<u><u>\$88,012,756</u></u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(d) 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 City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type, as provided by Moody's investment rating system:

Investment Type	Ratings as of June 30, 2018			Total
	Aaa	Aa1 to Aa3	P-1	
Commercial Paper			\$9,470,048	\$9,470,048
Federal Agency Securities	\$40,589,942		2,993,760	43,583,702
Municipal Securities		\$488,695		488,695
Medium-Term Corporate Notes	1,977,900	1,990,810		3,968,710
Money Market Mutual Funds	2,728,312			2,728,312
Supranational Obligations	3,958,700			3,958,700
Held by trustee:				
Money Market Mutual Funds	8,067			8,067
PARS Trust - Mutual Funds	2,100,000			2,100,000
Totals	<u>\$49,262,921</u>	<u>\$2,479,505</u>	<u>\$12,463,808</u>	66,306,234
<i>Not Rated:</i>				
Local Agency Investment Fund				145,782
Negotiable Time Certificates of Deposit				4,354,610
<i>Exempt from credit rate disclosure:</i>				
U.S. Treasury Notes				<u>8,890,260</u>
Total Investments				<u>\$79,696,886</u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(e) Fair Value Hierarchy

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

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

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
Federal Agency Securities	\$2,993,760	\$40,589,942	\$43,583,702
Municipal Securities		488,695	488,695
Medium-Term Corporate Notes		3,968,710	3,968,710
Negotiable Time Certificates of Deposit		4,354,610	4,354,610
Supranational Obligations		3,958,700	3,958,700
Commercial Paper		9,470,048	9,470,048
U.S. Treasury Notes	8,890,260		8,890,260
Subtotal	\$11,884,020	\$62,830,705	74,714,725
<i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Funds			2,728,312
Held by trustee:			
Money Market Mutual Funds			8,067
PARS Trust - Mutual Funds			2,100,000
<i>Investments Exempt from Fair Value Hierarchy:</i>			
Local Agency Investment Fund (LAIF)			145,782
Total Investments			\$79,696,886

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities or offer same day liquidity at a price of par. Investments classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds. The Local Agency Investment Fund is exempt from GASB 72 classifications. In addition GASB 72 paragraph 69c indicates that Money Market Funds should be reported at amortized cost.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(f) Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$14,959,181
Federal Farm Credit Bank	Federal Agency Securities	11,805,640
Federal Home Loan Bank	Federal Agency Securities	8,986,285
Federal Home Loan Mortgage Corporation	Federal Agency Securities	6,850,200

(g) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2018, \$8,049,945 of the City's deposits with financial institutions in excess of Federal Depository Insurance Limits were collateralized.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

3. Cash and Investments, continued

(h) Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The book value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested by all public agencies in LAIF as of June 30, 2018 was \$22.5 billion. LAIF is a part of the California Pooled Money Investment Act (PMIA), which at June 30, 2018 had a portfolio balance of \$88.8 billion. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. The average maturity of PMIA investments was 193 days as of June 30, 2018.

4. Interfund Transactions

(a) Interfund Balances

The purpose of the interfund receivables and payables is to make short-term loans from the General Fund to various funds. This interfund loan is to provide for operating cash flow. At June 30, 2018, interfund balances were as follows:

Due From Other Funds	Due to Other Funds	Amount
General Fund	Dougherty Valley Fund	\$5,329,268
	Non-major governmental funds	116,973
	Total	\$5,446,241

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

4. Interfund Transactions, continued

(b) Interfund Transfers

Interfund transfers for the year ended June 30, 2018 consisted of the following:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Capital Improvements Capital Projects Fund	\$99,438	(A)
	GHAD Special Revenue Fund	74,852	(A)
	Non-major Governmental Funds	2,220,755	(B)
Dougherty Valley Special Revenue Fund	General Fund	2,000,000	(A)
Capital Improvements Capital Projects Fund	General Fund	2,500,000	(C)
	Dougherty Valley Special Revenue Fund	742,000	(C)
	Non-major Governmental Funds	6,169,823	(A), (C)
	Internal Service Funds	3,175,573	(C)
Nonmajor Governmental Funds	General Fund	1,299,990	(A), (B)
	Dougherty Valley Special Revenue Fund	189,592	(B)
	Capital Improvements Capital Projects Fund	202,969	(D)
	Non-major Governmental Funds	551,803	(A), (B)
	Internal Service Funds	4,073	(A)
Internal Service Funds	General Fund	3,753,025	(A), (E)
	Dougherty Valley Special Revenue Fund	20,571	(E)
	Capital Improvements Capital Projects Fund	166,634	(D)
	Internal Service Funds	18,179	(E)
Total Interfund Transfers		<u>\$23,189,277</u>	

- (A) Transfers to fund operation expenditures
- (B) Transfers to fund debt service
- (C) Transfers to fund capital improvements
- (D) Transfers to return excess CIP funding
- (E) Transfer to Internal Service Funds

5. Notes and Loans Receivable

Notes and loans receivable activities for the year ended June 30, 2018 is as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
Greystone Homes, Inc.	\$9,925			\$9,925
American Baptist Homes	5,500,000			5,500,000
REHAB Loan Program	200,863		(\$103,226)	97,637
Cree Court	76,320		(5,451)	70,869
Firearm Safe Loans		\$6,237		6,237
Computer Loans	31,190	7,317		38,507
Total receivable	<u>\$5,818,298</u>	<u>\$13,554</u>	<u>(\$108,677)</u>	<u>\$5,723,175</u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

5. Notes and Loans Receivable, continued

(a) Greystone Homes, Inc.

In January 1996, the City entered into an Affordable Housing Agreement with Greystone Homes, Inc. The agreement provides for various restrictions on the project to facilitate the affordability of housing units to qualifying low and moderate-income residents. The agreement calls for the reduction of the purchase price of affordable units by \$5,000. Upon initial sale of each affordable unit, the homebuyer will execute a promissory note to the City for \$9,925, accruing annually compounded interest at 3 percent for a term not to exceed thirty years. The homebuyer agrees to repay the note, together with interest accrued and deferred, upon sale or transfer of the affordable unit. For each note, \$4,925 represents the deferred payment of the San Ramon Valley Boulevard Widening Fee to the City.

(b) American Baptist Homes

In April 2007, the former Redevelopment Agency approved a loan to American Baptist Homes in the amount of \$5,500,000 for the development and improvement of real property for the purpose of developing 105 units of multifamily housing for seniors to very-low-income and low-income households in the City of San Ramon. The \$5,500,000 includes a \$750,000 loan from the State of California to the former Redevelopment Agency which was then loaned by the Agency to American Baptist Homes. The loan is due and payable in full to the San Ramon Housing Fund no later than fifty-five (55) years from the Completion Date.

(c) REHAB Loan Program

In November 2007, the former Redevelopment Agency implemented a Home Rehabilitation Loan Program to fund existing Home Rehabilitation Grants and the Exterior Enhancement Rebate Program from the 2006 Housing Bond proceeds. The Housing Rehabilitation Loan Program proposes a \$35,000 deferred loan be made available to medium, low, very-low and extremely-low income households at 3% interest. The loan would accrue interest for thirty years and be due upon sale, transfer, or refinance of the property. It is anticipated that repayments will start in year four of the program. Recycled funds will be used to fund future housing rehabilitation loans. During fiscal year 2017-18, no new loans were issued and \$103,226 in loan payments were collected.

(d) Cree Court

The City provided home improvement loans to three homeowners within the City. These individuals make principal and interest payments through their property taxes. See Developer Agreement Note 14(d) for additional information.

(e) Firearm Safe Loans

The City's Home Safe and Vehicle Vault/Security System Loan Program provides a financing alternative for sworn San Ramon police officers wishing to purchase secure firearm storage products for their home and personal vehicles. As of June 30, 2018, three City employees had loans outstanding totaling \$6,237.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

5. Notes and Loan Receivable, continued

(f) Computer Loans

The City's Computer Loan Program provides a financing alternative for employees wishing to purchase personal computer hardware and software similar to what they may be asked to use for City business. As of June 30, 2018, thirty-four City employees had loans outstanding totaling \$38,507.

6. Loan Receivable from Successor Agency

During May 2010, the San Ramon Redevelopment Agency (the "RDA") authorized a loan from the Low/Mod Housing Fund to the former Redevelopment Special Revenue Fund in the amount of \$2,888,859 for five years at the City pool interest rate. These funds were to supplement the State's Supplemental Educational Revenue Augmentation Fund for 2009-2010.

During April 2011, the former RDA authorized an additional loan from the Low/Mod Housing Fund to the Redevelopment Special Revenue Fund in the amount of \$594,765 for five years at the City pool interest rate. These additional funds were to supplement the State's Supplemental Educational Revenue Augmentation Fund for 2010-2011.

In fiscal year 2011-2012, the former RDA was dissolved (per Assembly Bill AB X1 26) and all loans were transferred from the RDA to the San Ramon Successor Agency (the "Successor Agency"). During the fiscal year 2012-2013, the City took over ownership of the Low/Mod Housing Fund from the Successor Agency, thereby taking ownership of the two loans. The fund name was changed to the San Ramon Housing Fund and the outstanding amount of the two loans totaled \$2,359,887 at June 30, 2018.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

7. Capital Assets

The following table presents the capital assets activities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Retirements	Transfers	Transfers from Successor Agency	Balance at June 30, 2018
<i>Governmental activities</i>						
Capital assets not being depreciated:						
Land	\$40,233,536				\$2,041,845	\$42,275,381
Construction in progress	14,984,000	\$1,478,349		(\$7,709,522)		8,752,827
Total capital assets not being depreciated	55,217,536	1,478,349		(7,709,522)	2,041,845	51,028,208
Capital assets being depreciated:						
Park improvements	55,544,419			29,870		55,574,289
Buildings and improvements	85,977,679			6,703,064		92,680,743
Machinery, improvements and equipment	10,998,232	1,261,798	(\$549,198)			11,710,832
Infrastructure:						
Pavement/roads	207,386,204	606,000		236,749		208,228,953
Curb and gutters	35,747,036	214,000				35,961,036
Sidewalks	54,122,517	512,000				54,634,517
Catch basins	10,665,163	85,000				10,750,163
Storm drains	80,070,683	901,000				80,971,683
V-ditches	1,174,294					1,174,294
Street lights	34,136,123	308,000				34,444,123
Traffic signals	22,611,384					22,611,384
Bridges	27,619,591					27,619,591
Culverts	10,512,415					10,512,415
Retaining/soundwalls	4,620,567					4,620,567
Drainage structures	3,055,100					3,055,100
Fencing	1,455,009	5,000				1,460,009
Landscaping	54,350,290	1,139,000		739,839		56,229,129
Total capital assets being depreciated	700,046,706	5,031,798	(\$549,198)	7,709,522		712,238,828
Less accumulated depreciation for:						
Park improvements	(27,844,427)	(1,985,908)				(29,830,335)
Buildings and improvements	(21,249,381)	(2,222,241)				(23,471,622)
Machinery, improvements and equipment	(7,923,588)	(917,637)	514,595			(8,326,630)
Infrastructure:						
Pavement/roads	(118,371,591)	(7,635,136)				(126,006,727)
Curb and gutters	(12,487,526)	(578,436)				(13,065,962)
Sidewalks	(29,993,800)	(1,564,313)				(31,558,113)
Catch basins	(3,910,265)	(215,003)				(4,125,268)
Storm drains	(26,013,227)	(1,619,434)				(27,632,661)
V-ditches	(407,351)	(21,453)				(428,804)
Street lights	(16,506,525)	(790,524)				(17,297,049)
Traffic signals	(14,149,597)	(405,790)				(14,555,387)
Bridges	(4,446,256)	(552,392)				(4,998,648)
Culverts	(1,723,354)	(210,248)				(1,933,602)
Retaining/soundwalls	(1,686,973)	(184,823)				(1,871,796)
Drainage structures	(362,170)	(61,102)				(423,272)
Fencing	(448,079)	(73,000)				(521,079)
Landscaping	(19,103,369)	(2,219,226)				(21,322,595)
Total accumulated depreciation	(306,627,479)	(21,256,666)	514,595			(327,369,550)
Net governmental-type activities						
Capital assets being depreciated	393,419,227	(16,224,868)	(34,603)	7,709,522		384,869,278
Governmental activity capital assets, net	\$448,636,763	(\$14,746,519)	(\$34,603)		\$2,041,845	\$435,897,486

On October 19, 2017, for both economic and environmental considerations, the Successor Agency Oversight Board adopted Resolution 2017-006 approving the sale of 10 Boardwalk Place, commonly known as the Mudd's Restaurant to the City. The property is added to the adjoining Crow Canyon Community Garden Park, for the benefit of the communities served by the local taxing entities.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

7. Capital Assets, continued

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

Governmental Activities	Amount
General government	\$356,175
Community development	132,652
Police	128,866
Public works	18,295,533
Parks and community services	1,425,803
Internal service funds	<u>917,637</u>
 Total	 <u><u>\$21,256,666</u></u>

8. Long-Term Debt

Long-term debt liabilities activity for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Retirements	Balance June 30, 2018	Amount due within one year
Certificates of Participation:				
2003 COPS #11 Refunding Bonds	\$220,000	\$220,000		
2011 COPS #12 Refunding Bonds	6,845,000	1,295,000	\$5,550,000	\$1,340,000
Premium on Debt	356,889	44,611	312,278	44,611
Pension Obligation Bonds	16,215,000	355,000	15,860,000	385,000
Bank of America Capital Lease - LED Lighting	1,905,660	210,421	1,695,239	223,895
Capital Lease - Police Radios	<u>129,907</u>	<u>63,721</u>	<u>66,186</u>	<u>66,186</u>
Total Debt	<u><u>\$25,672,456</u></u>	<u><u>\$2,188,753</u></u>	<u><u>\$23,483,703</u></u>	<u><u>\$2,059,692</u></u>

(a) 2003 Certificates of Participation (COP #11)

On February 19, 2003, the San Ramon Public Financing Authority issued \$2,580,000 of refunding certificates of participation. These certificates were issued to repay the City's 1993 Certificates of Participation to take advantage of the substantially lower prevailing interest rates. The 1993 Certificates of Participation of \$3,000,000 was issued to refund a 1987 Certificate of Participation and restructure the debt for economic reasons. Interest on the certificates accrues at 2.50% to 4.40% and is payable semiannually on September 1 and March 1. Principal is payable each March 1. Debt service payments on the 2003 Certificates of Participation will be made from a non-major debt service fund. This debt was repaid during fiscal year 2017-2018.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

8. Long-Term Debt, continued

(b) 2011 Certificates of Participation (COP #12)

On July 12, 2011, the San Ramon Public Financing Authority issued \$11,585,000 of refunding certificates of participation. These certificates were issued to repay the City's 2001 Certificates of Participation in the amount of \$8,415,000 and the City's 1996 Certificates of Participation in the amount of \$4,915,000. The 1996 and 2001 Certificates financed the expansion of Central Park and construction of the Community Center. As a result of this current refunding, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. Interest on the certificates accrues at 2.50% to 5.00% and is payable semiannually on June 1 and December 1. Principal is payable each June 1.

The reacquisition price exceeded the net carrying amount of the old debt by \$364,212, resulting in a deferred loss on refunding. This amount, with a balance of \$182,107 as of June 30, 2018, is being netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the refunded debt, and recorded as a deferred outflow of resources on the Statement of Net Position.

Debt service payments on the 2011 Certificates of Participation will be made from a debt service fund. Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	2011 COP #12 Refunding		
	Principal	Interest	Total
2019	\$1,340,000	\$232,250	\$1,572,250
2020	1,405,000	165,250	1,570,250
2021	1,455,000	116,075	1,571,075
2022	430,000	65,150	495,150
2023	450,000	43,650	493,650
2024	470,000	21,150	491,150
Totals	<u>\$5,550,000</u>	<u>\$643,525</u>	<u>\$6,193,525</u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

8. Long-Term Debt, continued

(c) Pension Obligation Bonds

On January 21, 2010, taxable pension obligation bonds in the amount of \$17,650,000 were issued to prepay the unfunded CALPERS pension obligation. Interest on the bonds accrues at 4 to 6.4 percent and is payable semiannually on June 1 and December 1. Principal is payable each June 1. Term bonds maturing February 1, 2039 are subject to mandatory sinking fund redemption at par commencing June 1, 2015.

Debt service payments on the Pension Obligation Bonds will be made from a non-major debt service fund. Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	2010 Taxable Pension Obligation Bonds		
	Principal	Interest	Total
2019	\$385,000	\$1,008,846	\$1,393,846
2020	405,000	987,225	1,392,225
2021	430,000	964,480	1,394,480
2022	455,000	936,960	1,391,960
2023	485,000	907,840	1,392,840
2024 - 2028	2,930,000	4,032,000	6,962,000
2029 - 2033	4,010,000	2,965,120	6,975,120
2034 - 2038	5,450,000	1,508,800	6,958,800
2039 - 2040	1,310,000	83,840	1,393,840
Totals	<u>\$15,860,000</u>	<u>\$13,395,111</u>	<u>\$29,255,111</u>

(d) Bank of America Capital Lease

On June 28, 2012, the City entered into a twelve-year lease agreement in the amount of \$2,687,302 for the lease/purchase of LED lights for the Citywide lighting project. The total monthly payments range from \$18,105 to \$25,940 including interest at 2.34%. Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Bank of America Capital Lease		
	Principal	Interest	Total
2019	\$223,895	\$37,302	\$261,197
2020	237,941	31,913	269,854
2021	252,583	26,192	278,775
2022	267,841	20,117	287,958
2023	283,738	13,680	297,418
2024-2025	429,241	7,618	436,859
Totals	<u>\$1,695,239</u>	<u>\$136,822</u>	<u>\$1,832,061</u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

8. Long-Term Debt, continued

(e) Capital Lease – Police Radios

On August 1, 2012, the City entered into a seven year lease agreement in the amount of \$425,788 for the lease/purchase of police radio equipment. The total payment of \$68,748 including interest at 3.87% is due annually on August 1. Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Capital Lease - Police Radios		
	Principal	Interest	Total
2019	\$66,186	\$2,561	\$68,747
Totals	\$66,186	\$2,561	\$68,747

9. Net Position and Fund Balances

(a) Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – reflects net position that are subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor.
- *Unrestricted* – represents net position of the City that are not restricted for any project or purpose.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

9. Net Position and Fund Balances, continued

(b) Fund Balances

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2018, fund balances for government funds are made up of the following:

- *Nonspendable* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, through the adoption of a resolution. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally. As of June 30, 2018, the City has committed fund balance in the amount of \$1,027,527. Of the committed fund balance \$853,368 was held in the Planning Cost Recovery Fund and \$174,159 in the Geographic Information System Fund. The City established the Planning Cost Recovery Fund to separate the General Plan Recovery Fee that is collected with each building permit to cover the costs of ongoing implementation, monitoring, and maintenance of the General Plan.
- *Assigned* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or the City Manager to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned* – is the residual classification for the General Fund and residual fund deficits, if any, of other governmental funds. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

9. Net Position and Fund Balances, continued

(b) Fund Balances, continued

Fund balances for all the major and nonmajor governmental funds as of June 30, 2018, were distributed as follows:

Classifications	General Fund	Dougherty Valley	San Ramon Housing	GHAD Fund	COP #12	Capital Improvements	Other Governmental Funds	Total
Nonspendable:								
Notes and loans	\$115,613							\$115,613
Advances to other funds								
Prepays	92,310	\$25,171				\$11,396	\$3,218	132,095
Total Nonspendable	207,923	25,171				11,396	3,218	247,708
Restricted for:								
Community development projects							1,099,438	1,099,438
Streets and roads projects				\$10,590,096			10,828,419	21,418,515
Developers related activities							667,472	667,472
Debt services					\$11,068,120		1,185,691	12,253,811
Park and facilities projects		1,377,206					451,354	1,828,560
Lighting and landscape projects							3,375,787	3,375,787
Capital projects						24,080,912		24,080,912
Police services							239,464	239,464
Solid waste projects							259,632	259,632
Housing projects			\$10,502,697					10,502,697
Total Restricted		1,377,206	10,502,697	10,590,096	11,068,120	24,080,912	18,107,257	75,726,288
Committed to:								
Community development projects							853,368	853,368
Capital projects							174,159	174,159
Total Committed							1,027,527	1,027,527
Unassigned	7,241,994							7,241,994
Total Fund Balances	\$7,449,917	\$1,402,377	\$10,502,697	\$10,590,096	\$11,068,120	\$24,092,308	\$19,138,002	\$84,243,517

(c) Policies

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes of which committed, assigned, and unassigned fund balance is available.

The City's General Fund Reserve Policy requires the General Fund reserves to maintain a minimum of 40% of General Fund Operating Expenditures. The uses of these reserves are restricted unless approved by resolution of the City Council.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. 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) General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) cost-sharing and Miscellaneous (all other) agent multiple-employer defined benefit pension plans, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(a) General Information about the Pension Plans, continued

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous		
	Prior to July 1, 2012	Between July 1, 2012 and January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-60	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.0%	1.0% to 2.0%
Required employee contribution rates	8.0%	7.0%	6.25%
Required employer contribution rates (1)	15.567%	15.567%	15.567%

(1) Rate represents a blended contribution rate

	Safety		
	Prior to July 1, 2012	Between July 1, 2012 and January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	21.418%	18.487%	12.729%

(b) Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

Employees Covered – As of the June 30, 2016 actuarial valuation date and June 30, 2017 measurement date, the following employees were covered by the benefit terms for the Miscellaneous (agent multiple-employer plan):

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	137
Inactive employees entitled to but not yet receiving benefits	206
Active employees	<u>213</u>
Total	<u><u>556</u></u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(b) Miscellaneous Agent Multiple-Employer Defined Benefit 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 the Plan 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.

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 for each Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$124,159,270	\$105,815,832	\$18,343,438
Changes in the year:			
Service cost	3,476,565		3,476,565
Interest on the total pension liability	9,359,296		9,359,296
Differences between actual and expected experience	(926,508)		(926,508)
Changes in assumptions	8,124,508		8,124,508
Changes in benefit terms			
Plan to plan resource movement		3,951	(3,951)
Contribution - employer		2,762,063	(2,762,063)
Contribution - employee		1,418,316	(1,418,316)
Net investment income		11,717,164	(11,717,164)
Administrative expenses		(156,230)	156,230
Benefit payments, including refunds of employee contributions	(4,392,615)	(4,392,615)	
Net changes	<u>15,641,246</u>	<u>11,352,649</u>	<u>4,288,597</u>
Balance at June 30, 2017	<u>\$139,800,516</u>	<u>\$117,168,481</u>	<u>\$22,632,035</u>

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(b) Miscellaneous Agent Multiple-Employer Defined Benefit 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 Miscellaneous Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$42,661,009
Current Discount Rate	7.15%
Net Pension Liability	\$22,632,035
1% Increase	8.15%
Net Pension Liability (Asset)	\$6,116,136

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

For the year ended June 30, 2018, the City recognized pension expense of \$5,860,329. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$1,970,001	
Changes in assumptions	5,803,220	(\$402,177)
Differences between actual and expected experience	286,527	(661,791)
Net differences between projected and actual earnings on plan investments	1,629,098	
Total	\$9,688,846	(\$1,063,968)

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(b) Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan, continued

\$1,970,001 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2019	\$1,928,740
2020	3,878,716
2021	1,685,028
2022	(837,607)
2023	0
Thereafter	0

(c) Safety Cost-Sharing Multiple-Employer Defined Benefit Plan

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in Note 10(a) and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability and side fund was \$201,687 in fiscal year 2018.

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 the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Safety (cost-sharing plan) were as follows:

	Tier 1	Tier 2	PEPRA	Total
Contributions - employer	\$1,624,297	\$273,040	\$138,009	\$2,035,346

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(c) Safety Cost-Sharing Multiple-Employer Defined Benefit Plan, continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pensions expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2018, the City reported net pension liabilities of \$6,353,412 for its proportionate shares of the net pension liability of the Plan, which totaled \$5,975,205,335.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. 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 Plan as of June 30, 2016 and 2017 was as follows:

	Safety
Proportion - June 30, 2016	0.09749%
Proportion - June 30, 2017	0.10633%
Change - Increase (Decrease)	0.00884%

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(c) Safety Cost-Sharing Multiple-Employer Defined Benefit Plan, continued

For the year ended June 30, 2018, the City recognized a pension expense of \$2,619,518. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,035,346	
Differences between actual and expected experience	100,463	(\$26,193)
Changes in assumptions	1,456,967	(111,782)
Net differences between projected and actual earnings on plan investments	317,676	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	3,729,347	(465,558)
Total	\$7,639,799	(\$603,533)

\$2,035,346 million reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2019	\$2,426,624
2020	1,654,924
2021	1,105,254
2022	(185,882)
2023	0
Thereafter	0

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(c) Safety Cost-Sharing Multiple-Employer Defined Benefit Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the 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:

	Safety
1% Decrease	6.15%
Net Pension Liability	\$11,166,625
Current Discount Rate	7.15%
Net Pension Liability	\$6,353,412
1% Increase	8.15%
Net Pension Liability	\$2,418,850

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(d) Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liabilities were determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous & Safety
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service Derived using CalPERS Membership Data for all Funds (1)
Mortality	Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter

(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 the CalPERS website under Forms and Publications.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(d) Information Common to the Miscellaneous and Safety Plans, continued

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

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% 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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound geometric 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.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

10. Pension Plans, continued

(d) Information Common to the Miscellaneous and Safety Plans, continued

Asset Class	Current Target Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

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

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

In January 2018, the City established a Section 115 Pension Trust with Public Agency Retirement Services (PARS). PARS, the trust administrator, partners with U.S. Bank and HighMark Capital Management to provide trustee and investment advisory services, respectively. This trust was established to set aside moneys to meet the City's future pension contributions or unfunded liabilities. Financial statements of PARS may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

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

11. Post-Employment Health Care Benefits – Dougherty Regional Fire Authority

The City provides certain health care benefits for Dougherty Regional Fire Authority retirees as required under contract signed with PERS and the dissolution agreement of the Authority. The cost of retiree health care benefits is recognized as expenditure as premiums are paid. For the year ended June 30, 2018, those cost totaled \$71,595. See Note 12 for additional disclosures on the City retiree health care benefits.

12. Post-Employment Healthcare Plan

Plan Description: The City administers an agent multiple-employer defined benefit healthcare plan (the plan) which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The City reports the financial activity of the plan as a trust fund, and no separate financial report is prepared.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

12. Post-Employment Healthcare Plan, continued

Funding Policy and Benefits Provided : The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For fiscal year 2017-2018, the City contributed \$885,985 for current premiums (90.5% of total premiums). Plan members receiving benefits contributed \$92,678 (approximately 9.5% of total premiums) through their required contribution. The City pays up to the entire cost of health benefits for eligible retirees and their spouses until age 65 subject to the City’s vesting schedule. After age 65, the City pays up to \$426 per month for any health coverage, also subject to the vesting schedule.

Employees Covered by Benefit Terms: Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 4 years of service and are eligible for a PERS pension. Membership of the plan consisted of the following as of the measurement date June 30, 2017:

Retirees	90
Active plan members	247
Total	337

Net OPEB Asset:

Actuarial Methods and Assumptions: The City’s net OPEB asset was measured as of June 30, 2017 and the total OPEB asset used to calculate the net OPEB asset was determined by actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Mortality Rate	Rates based on the statistics taken from the 2014 CalPERS experience study. The mortality rates include an assumed improvement in future mortality based on Scale BB projected to 2028.
Healthcare Trend Rate	3.50% - 6.25%

The underlying mortality assumptions were based on the statistics taken from the 2014 California PERS (CalPERS) experience study.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

12. Post-Employment Healthcare Plan, continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	40.0%	7.92%
U.S. Fixed Income	39.0%	6.83%
Treasury Inflation-Protected Securities	10.0%	3.95%
Real Estate Investment Trusts	8.0%	7.56%
Commodities	3.0%	5.47%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total OPEB asset was 6.50%. 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 OPEB payments for current active and inactive employees and beneficiaries. 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 asset.

Changes in Net OPEB Asset: The changes in the net OPEB asset were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2016	\$25,974,214	\$24,926,077	\$1,048,137
Changes Recognized for the Measurement Period:			
Service Cost	1,184,356		1,184,356
Interest on the total OPEB liability	1,731,659		1,731,659
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions			
Benefit payments	(1,051,859)	(1,051,859)	
Contributions from the employer		2,533,034	(2,533,034)
Net investment income		1,851,190	(1,851,190)
Administrative expenses		(12,850)	12,850
Other changes			
Net changes	<u>1,864,156</u>	<u>3,319,515</u>	<u>(1,455,359)</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$27,838,370</u>	<u>\$28,245,592</u>	<u>(\$407,222)</u>

The OPEB plan does not issue separate financial statements. The benefit payments include implied subsidy benefit payments in the amount of \$226,552.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

12. Post-Employment Healthcare Plan, continued

Sensitivity of Net OPEB Asset to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
5.50%	6.50%	7.50%
\$2,630,305	(\$407,222)	(\$3,011,718)

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

Net OPEB Liability/(Asset)		
1% Decrease	Healthcare Cost	1% Increase
2.50%	Trend Rates	4.50%
3.50%	3.50%	4.50%
(\$3,572,933)	(\$407,222)	\$3,395,375

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,224,897. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$885,985	
Differences between actual and expected experience		
Changes of assumptions		
Net differences between projected and actual earnings on plan investments		(\$147,222)
Total	\$885,985	(\$147,222)

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

12. Post-Employment Healthcare Plan, continued

\$885,985 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$36,805)
2020	(36,805)
2021	(36,805)
2022	(36,807)
2023	0
Thereafter	0

13. Risk Management

(a) Description of Participation in the Municipal Pooling Authority

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; natural disasters; errors and omissions; injury to employees; and unemployment claims. The City is a member of the Municipal Pooling Authority (MPA). MPA is comprised of over 19 California member cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the MPA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each member city has a representative on the Board of Directors. The accounting methods used by the MPA are more fully described at Note 1(m).

The City pays an annual premium to the MPA for its Liability (\$29 million coverage, \$5,000 deductible), Fire and Property (\$1 billion coverage, \$25,000 deductible all-risk and copper claims, \$150,000 deductible water intrusions claims, \$100,000 minimum deductible flood claims per occurrence, except Zone A & V, which have \$250,000 minimum deductible and \$25 million limit, others \$25,000 deductible), Auto (\$250,000 coverage; police \$3,000 deductible; all others \$2,000 deductible), Workers' Compensation (Statutory limit, workers compensation liability equals \$4.5 million, \$500,000 insured retention, zero deductible), Cyber Liability (\$2 million coverage, \$50,000 deductible), Pollution Liability (\$1 million per pollution condition, \$100,000 deductible), and Boiler & Machinery (\$100 million, \$5,000 deductible). The Agreement provides that the MPA will be self-sustaining through member premiums and assessments. The MPA purchases commercial insurance in excess of those amounts covered by the MPA's self-insurance pool.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

13. Risk Management, continued

Audited financial information can be obtained from the MPA at 1911 San Miguel Drive, Walnut Creek, CA 94596. A summary of the latest audited annual financial information as of and for the year ended June 30, 2018 is as follows:

	MPA
Total assets and deferred outflows	\$61,042,208
Total liabilities and deferred inflows	45,586,323
Total net position	\$15,455,885
Total revenue	\$28,862,456
Total expenditures/ expenses	23,574,971
Net (decrease) in net position	\$5,287,485

(b) Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the General Fund and Insurance Liability Fund. Claims and Judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probably of assertion and the amount of the loss is reasonably determinable. The City's liability for uninsured claims at June 30, 2018 was estimated by management and based on MPA's claims experience, and was computed as follows:

	Liability
Beginning claims payable balance	\$47,187
Claims incurred	6,088,326
Increase (decrease) in estimated liability	(12,049,165)
Claims paid	5,937,212
Ending claims payable balance	\$23,560
Current portion	\$23,560

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

14. Developer Agreements and Tax Sharing Agreements

(a) Bishop Ranch Agreement

In November 1987, the City entered into an annexation and development agreement with Sunset Development Company (et al.) relative to the development known as Bishop Ranch. The agreement was subsequently amended eight different times (September 1991, September 1996, April 1998, May 2002, January 2008, December 2008, December 2009, and August 2014). The agreement and amendments outline provisions for the development of the 585-acre business park community known as Bishop Ranch. The development included the installation of numerous public improvements that serve both the project and adjoining areas of the City.

In the Third Amendment dated April 14, 1998, the developer of Bishop Ranch agreed to dedicate 11.19 acres of land to the City when building permits are obtained for the fourth office building of the BR# 3 office project by June 30, 2001, whichever shall occur first. This transaction was consummated on June 29, 2001. The use of the property is restricted by the development agreement and limited to the development of public buildings. If the City elected to sell or transfer any or all of its interests in the property at any time before December 31, 2010, the developer had the right to purchase the property from the City for \$5,000,000 (with a consumer price index escalation clause) plus the actual out-of-pocket costs incurred by the City in constructing improvements to the property. If the City did not commence construction of a civic center complex on the property by December 31, 2010, the developer had until July 1, 2011 to repurchase the property under the same terms as the pre December 31, 2010 right to purchase clause.

The Fifth Amendment dated January 25, 2008 was entered into in connection with the approval of the City Center Project and contained a termination clause if certain property transfers between the Bishop Ranch Ownership and the City, for construction of the City Center Project, did not occur prior to January 1, 2010.

In the Seventh Amendment dated December 15, 2009, the termination date was extended to January 1, 2015 and Sunset's right to exercise its option for reacquisition of the dedicated land was extended to July 1, 2015.

The Eighth Amendment dated August 13, 2014 was entered into to incorporate the amended City Center approvals into the Project, vest the rights to proceed with development of the City Center Project on portions of the project site covered by the development agreement, and to clarify the transfer of ownership, thus ensuring the terms of the development agreement, and all its amendments, were extended to December 31, 2020.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

14. Developer Agreements and Tax Sharing Agreements, continued

(b) Bishop Ranch Tax Exchange Agreement with Contra Costa County

On June 3, 1986 pursuant to resolutions adopted by the City Council of the City San Ramon and the Board of Supervisors of the County of Contra Costa, the City and County entered into the Master Property Tax Exchange Agreement for Allocation of Property Tax between the two agencies upon annexations of County Service Area to the City (LAFCO Nos 87-58 and 87-60).

On December 1, 1987, the City and County entered into the first amendment to the Master Agreement to specify provisions which govern the administration of property, sales, and transient occupancy taxes and for the sharing of tax revenues in the 585-acre business park known as the Bishop Ranch.

On July 24, 2007, a second amendment was made to exclude the residential component of the City Center Project from provisions of the Master Property Tax Exchange Agreement for a period of 25 years. The second amendment terminated automatically on November 2, 2010 when construction of the City Center Project was delayed by the economic downturn.

On June 14, 2016, a third amendment was made to continue the operative terms of the second amendment to exclude residential units from the tax sharing formula and facilitate the development of jobs and housing in the revised City Center Project area.

The agreement provides that the property tax revenue allocation to the City for parcels in the Bishop Ranch business park would be reduced by 50% of the total sales and transient occupancy taxes collected in the Bishop Ranch area. The agreement limits the amount of property tax revenues transferred to the County to the amount of property taxes allocable to the City for the Bishop Ranch area. During fiscal year 2018, the amount of property taxes received by the Contra Costa County under the agreement was \$1,483,818.

(c) Dougherty Valley Development Memorandum of Understanding

On October 15, 1997, the City entered into a Memorandum of Understanding with Contra Costa County, Shapell Industries, and Windermere Partners related to the development of Dougherty Valley, an area on the eastern borders of the City. The Memorandum of Understanding is an instrument of compliance with a May 11, 1994 settlement agreement. Under the Memorandum of Understanding, the City will be annexing land that will include up to approximately 11,000 housing units. Contra Costa County has established a County Service Area assessment district in Dougherty Valley that is intended to pay for a variety of municipal services including police protection, street and park maintenance. The City will be providing service in the area and under the agreement will be reimbursed for a portion of those services from the County Service Area Assessment. Under the agreement, the City is required to separately track the costs of services in the Dougherty Valley Area, and submit claims for reimbursements for costs from the County. On December 13, 2005, the City Council approved the formal reimbursement agreement.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

14. Developer Agreements and Tax Sharing Agreements, continued

(d) Cree Court Assessment District

The Cree Court Assessment District has issued debt to finance infrastructure improvements and facilities within its boundaries. The City is the collecting and paying agent for the debt issued by this District, but has no direct or contingent liability or moral obligation for the payment of this debt. Accordingly, the unretired principal at June 30, 2018 of \$70,869 has not been recorded as a long-term liability in the statement of net position.

(e) Property Tax Sharing with San Ramon Valley Fire Protection District

On September 28, 2007 the City of San Ramon and San Ramon Valley Fire Protection District (District) entered into a property tax sharing agreement related to development of City Center Project. The agreement provides a formula for sharing of property tax revenue between the District and the City. During fiscal year 2017-18 the City received payments totaling \$50,939.

(f) Use Tax Sharing Agreement with San Ramon Valley Fire Protection District

On November 25, 2014, the City and San Ramon Valley Fire Protection District (District) entered into an agreement whereby the City agreed to share with the District, on a 50/50 basis, the additional amount of California state use tax received by the City and attributable to use tax paid directly by the District to the California State Board of Equalization on purchases from out-of-state vendors.

(g) PG&E Energy Efficiency Retrofit Loan Program

On April 7, 2017, the City entered into an Energy Efficiency Retrofit On-Bill financing loan agreement with Pacific Gas & Electric (PG&E) for the cost of energy efficiency/demand response equipment and services to upgrade and repair the current HVAC Mechanical System and Window Inserts and re-lamp the current lighting fixtures to LED. In lieu of actual payments, the zero-interest bearing loan, which totaled \$1,051,893, will be repaid through energy savings reflected on the City's PG&E utility bills. As of June 30, 2018, the outstanding loan amount was \$875,919.

On May 31, 2018, the City entered in an Energy Efficiency Retrofit On-Bill financing loan agreement with Pacific Gas & Electric (PG&E) for the cost of energy efficiency/demand response equipment and services to upgrade the San Ramon Olympic Pool. In lieu of actual payments, the zero-interest bearing loan, which totaled \$226,397, will be repaid through energy savings reflected on the City's PG&E utility bills. As of June 30, 2018, the outstanding loan amount was \$226,397.

CITY OF SAN RAMON, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2018

15. Contingencies and Commitments

In the normal course of operations, the City has been named as a defendant in various claims and legal actions. In the opinion of management and legal counsel, the ultimate liability for these legal actions and claims will not have a material adverse effect on the City's basic financial statements.

The City participates in Federal and State grant programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expected such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

MISCELLANEOUS PLAN
An Agent Multiple-Employer Defined Pension Plan
Last 10 Years*
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability				
Service Cost	\$3,065,874	\$2,878,989	\$3,098,911	\$3,476,565
Interest on total pension liability	7,616,515	8,236,308	8,844,191	9,359,296
Changes of benefit terms				
Changes of assumptions		(2,125,794)		8,124,508
Differences between expected and actual experience		859,787	269,589	(926,508)
Benefit payments, including refunds of employee contributions	(3,016,709)	(3,407,918)	(3,689,418)	(4,392,615)
Net change in total pension liability	7,665,680	6,441,372	8,523,273	15,641,246
Total pension liability - beginning	101,528,945	109,194,625	115,635,997	124,159,270
Total pension liability - ending (a)	<u>\$109,194,625</u>	<u>\$115,635,997</u>	<u>\$124,159,270</u>	<u>\$139,800,516</u>
Plan fiduciary net position				
Contributions - employer	\$2,161,339	\$2,324,159	\$2,609,080	\$2,762,063
Contributions - employee	1,685,116	1,335,799	1,411,367	1,418,316
Net investment income	15,156,953	2,250,869	542,297	11,717,164
Benefit payments, including refunds of employee contributions	(3,016,709)	(3,407,918)	(3,689,418)	(4,392,615)
Plan to plan resource movement		18		3951
Administrative expense		(118,214)	(63,996)	(156,230)
Net change in plan fiduciary net position	15,986,699	2,384,713	809,330	11,352,649
Plan fiduciary net position - beginning	86,635,090	102,621,789	105,006,502	105,815,832
Plan fiduciary net position - ending (b)	<u>\$102,621,789</u>	<u>\$105,006,502</u>	<u>\$105,815,832</u>	<u>\$117,168,481</u>
Net pension liability - ending (a)-(b)	<u>\$6,572,836</u>	<u>\$10,629,495</u>	<u>\$18,343,438</u>	<u>\$22,632,035</u>
Plan fiduciary net position as a percentage of the total pension liability	93.98%	90.81%	85.23%	83.81%
Covered payroll	\$15,815,866	\$16,576,119	\$17,838,272	\$18,178,704
Net pension liability as percentage of covered payroll	41.56%	64.13%	102.83%	124.50%

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 6/30/16 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 per cent. 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. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

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

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

MISCELLANEOUS PLAN
An Agent Multiple-Employer Defined Pension Plan
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2015	2016	2017	2018
Actuarially determined contribution	\$2,230,199	\$2,601,374	\$2,755,597	\$1,970,001
Contributions in relation to the actuarially determined contributions	(2,230,199)	(2,601,374)	(2,755,597)	(1,970,001)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$16,576,119	\$17,838,272	\$18,178,704	\$19,389,411
Contributions as a percentage of covered payroll	13.45%	14.58%	15.16%	10.16%
Notes to Schedule				
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	12 years as of the Valuation Date
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries

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

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

SAFETY PLAN
Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years*

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Safety - Total				
Plan's proportion of the Net Pension Liability (Asset)	0.05854%	0.93720%	0.97490%	0.10633%
Plan's proportion share of the Net Pension Liability (Asset)	<u>\$3,642,576</u>	<u>\$3,861,735</u>	<u>\$5,049,024</u>	<u>\$6,353,412</u>
Plan's Covered Payroll	<u>\$7,069,736</u>	<u>\$7,654,536</u>	<u>\$8,472,705</u>	<u>\$8,940,160</u>
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	51.52%	50.45%	59.59%	71.07%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

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

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

SAFETY PLAN
Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Safety				
Actuarially determined contribution	\$2,070,229	\$1,750,732	\$1,870,592	\$2,035,346
Contributions in relation to the actuarially determined contributions	<u>(2,070,229)</u>	<u>(1,750,732)</u>	<u>(1,870,592)</u>	<u>(2,035,346)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$7,654,536	\$8,472,705	\$8,940,160	\$9,293,702
Contributions as a percentage of covered payroll	27.05%	20.66%	20.92%	21.90%

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

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Retiree Medical Benefits (OPEB) Plan
 Last 10 fiscal years*

Measurement Date	<u>6/30/17</u>
Total OPEB Liability	
Service Cost	\$1,184,356
Interest	1,731,659
Changes in benefit terms	
Differences between expected and actual experience	
Changes of assumptions	
Benefit payments	(1,051,859)
Net change in total OPEB liability	<u>1,864,156</u>
Total OPEB liability - beginning	<u>25,974,214</u>
Total OPEB liability - ending (a)	<u><u>\$27,838,370</u></u>
 Plan fiduciary net position	
Contributions - employer	\$2,533,034
Contributions - employee	
Net investment income	1,851,190
Administrative expense	(12,850)
Benefit payments	(1,051,859)
Net change in plan fiduciary net position	<u>3,319,515</u>
Plan fiduciary net position - beginning	<u>24,926,077</u>
Plan fiduciary net position - ending (b)	<u><u>\$28,245,592</u></u>
 Net OPEB liability (asset) - ending (a)-(b)	<u><u>(\$407,222)</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	101.46%
 Covered-employee payroll	<u><u>\$30,618,811</u></u>
 Net OPEB liability (asset) as a percentage of covered-employee payroll	<u><u>(1.33%)</u></u>

* Fiscal year 2018 was the first year of implementation.

CITY OF SAN RAMON, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION

Fiscal year ended June 30, 2018

SCHEDULE OF CONTRIBUTIONS

Retiree Medical Benefits (OPEB) Plan

Last 10 fiscal years*

Fiscal Year Ended June 30,	2018
Actuarially determined contribution	\$1,343,326
Contributions in relation to the actuarially determined contribution	885,985
Contribution deficiency (excess)	\$457,341
Covered-employee payroll	\$30,618,811
Contributions as a percentage of covered-employee payroll	2.89%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2017
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Mortality Rate	Rates based on the statistics taken from the 2014 CalPERS experience study. The mortality rates include an assumed improvement in future mortality based on Scale BB projected to 2028.
Healthcare Trend Rate	3.50% - 6.25%

* Fiscal year 2018 was the first year of implementation.

CITY OF SAN RAMON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$37,956,719	\$37,956,719	\$37,372,326	(\$584,393)
Licenses and permits	2,062,950	2,062,950	2,683,899	620,949
Intergovernmental	200,855	200,855	356,696	155,841
Charges for services	6,454,627	6,454,627	7,463,956	1,009,329
Fines and forfeitures	399,500	399,500	347,815	(51,685)
Investment income	75,000	75,000	88,427	13,427
Miscellaneous	2,491,117	2,491,117	2,744,981	253,864
TOTAL REVENUES	<u>49,640,768</u>	<u>49,640,768</u>	<u>51,058,100</u>	<u>1,417,332</u>
EXPENDITURES				
Current:				
General Government:				
Community development	6,899,747	7,007,747	6,409,864	597,883
Police services	3,585,540	3,585,540	3,329,243	256,297
Public works	13,400,921	13,400,921	13,231,093	169,828
Parks and community services	14,986,321	15,051,258	14,581,462	469,796
Debt service:	8,731,453	8,766,453	8,765,042	1,411
Principal retirement			40,145	(40,145)
Interest and fees			3,167	(3,167)
TOTAL EXPENDITURES	<u>47,603,982</u>	<u>47,811,919</u>	<u>46,360,016</u>	<u>1,451,903</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,036,786</u>	<u>1,828,849</u>	<u>4,698,084</u>	<u>2,869,235</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,399,736	2,399,736	2,395,045	(4,691)
Transfers (out)	<u>(9,425,983)</u>	<u>(9,425,983)</u>	<u>(9,553,015)</u>	<u>(127,032)</u>
Total Other Financing Sources (Uses)	<u>(7,026,247)</u>	<u>(7,026,247)</u>	<u>(7,157,970)</u>	<u>(131,723)</u>
NET CHANGE IN FUND BALANCE	<u>(\$4,989,461)</u>	<u>(\$5,197,398)</u>	<u>(2,459,886)</u>	<u>\$2,737,512</u>
Fund balance at beginning of year			<u>9,909,803</u>	
Fund balance at end of year			<u><u>\$7,449,917</u></u>	

CITY OF SAN RAMON
DOUGHERTY VALLEY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$16,822,217	\$16,822,217	\$16,031,240	(\$790,977)
Charges for services			843	843
Miscellaneous	50,000	50,000	124,084	74,084
TOTAL REVENUES	<u>16,872,217</u>	<u>16,872,217</u>	<u>16,156,167</u>	<u>(716,050)</u>
EXPENDITURES				
Current:				
Police services	7,865,978	7,865,978	7,768,533	97,445
Public works	11,224,588	11,324,877	11,192,734	132,143
Debt service:				
Principal			23,576	(23,576)
Interest and fees			1,860	(1,860)
TOTAL EXPENDITURES	<u>19,090,566</u>	<u>19,190,855</u>	<u>18,986,703</u>	<u>204,152</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,218,349)</u>	<u>(2,318,638)</u>	<u>(2,830,536)</u>	<u>(511,898)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	2,000,000	2,000,000	
Transfers (out)	(931,592)	(931,592)	(952,163)	(20,571)
Total Other Financing Sources (Uses)	<u>1,068,408</u>	<u>1,068,408</u>	<u>1,047,837</u>	<u>(20,571)</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$1,149,941)</u></u>	<u><u>(\$1,250,230)</u></u>	<u>(1,782,699)</u>	<u><u>(\$532,469)</u></u>
Fund balance at beginning of year			<u>3,185,076</u>	
Fund balance at end of year			<u><u>\$1,402,377</u></u>	

CITY OF SAN RAMON
SAN RAMON HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income			\$19,976	\$19,976
Miscellaneous	\$2,888,170	\$2,888,170		(2,888,170)
TOTAL REVENUES	<u>2,888,170</u>	<u>2,888,170</u>	<u>19,976</u>	<u>(2,868,194)</u>
EXPENDITURES				
Current:				
Housing	657,273	657,273	636,572	20,701
TOTAL EXPENDITURES	<u>657,273</u>	<u>657,273</u>	<u>636,572</u>	<u>20,701</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,230,897</u>	<u>2,230,897</u>	<u>(616,596)</u>	<u>(2,847,493)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property			(636,459)	(636,459)
Total Other Financing Sources (Uses)			<u>(636,459)</u>	<u>(636,459)</u>
NET CHANGE IN FUND BALANCE	<u>\$2,230,897</u>	<u>\$2,230,897</u>	<u>(1,253,055)</u>	<u>(\$3,483,952)</u>
Fund balance at beginning of year			<u>11,755,752</u>	
Fund balance at end of year			<u>\$10,502,697</u>	

CITY OF SAN RAMON
GHAD - DOUGHERTY VALLEY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental			\$71,589	\$71,589
Special assessments	\$1,749,477	\$1,749,477	1,800,666	51,189
Investment income	85,000	85,000	39,518	(45,482)
Licenses and permits	6,000	6,000	3,840	(2,160)
Miscellaneous	47,685	47,685	42,936	(4,749)
 TOTAL REVENUES	 <u>1,888,162</u>	 <u>1,888,162</u>	 <u>1,958,549</u>	 <u>70,387</u>
EXPENDITURES				
Current:				
Public works	610,192	610,192	431,923	178,269
 TOTAL EXPENDITURES	 <u>610,192</u>	 <u>610,192</u>	 <u>431,923</u>	 <u>178,269</u>
 Excess (deficiency) of revenue over (under) expenditures	 <u>1,277,970</u>	 <u>1,277,970</u>	 <u>1,526,626</u>	 <u>248,656</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(74,852)	(74,852)	(74,852)	
 Total Other Financing Sources (Uses)	 <u>(74,852)</u>	 <u>(74,852)</u>	 <u>(74,852)</u>	
 NET CHANGE IN FUND BALANCE	 <u><u>\$1,203,118</u></u>	 <u><u>\$1,203,118</u></u>	 <u>1,451,774</u>	 <u><u>\$248,656</u></u>
 Fund balance at beginning of year			 <u>9,138,322</u>	
 Fund balance at end of year			 <u><u>\$10,590,096</u></u>	

CITY OF SAN RAMON, CALIFORNIA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

1. Budgets and Budgetary Accounting

The City Council adopts and Annual Budget, in accordance with generally accepted accounting principles, no later than the second meeting of June of each year for the fiscal year commencing the following July 1. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) During May of each year, the City Manager submits to the City Council a proposed budget for the next following fiscal year. Copies are made available to the public, the press, and staff members.
- 2) A series of Council work sessions are held at which the recommended budget is reviewed in detail and the departments (as requested) provide additional information.
- 3) After review by the city Council, a public hearing is conducted for the purpose of receiving public input on the recommended operating and capital budgets, the Master Fee Schedule, and the Gann Appropriation Limit.
- 4) Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted, in late June, by the City Council through passage of appropriate resolutions.
- 5) Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review.

SUPPLEMENTARY INFORMATION

CITY OF SAN RAMON
COP #12 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
Debt service:			
Principal	\$1,295,000	\$1,295,000	
Interest and fees	287,050	286,594	\$456
TOTAL EXPENDITURES	1,582,050	1,581,594	456
Excess (deficiency) of revenue over (under) expenditures	(1,582,050)	(1,581,594)	456
NET CHANGE IN FUND BALANCE	(\$1,582,050)	(1,581,594)	\$456
Fund balance at beginning of year		12,649,714	
Fund balance at end of year		\$11,068,120	

CITY OF SAN RAMON
 CAPITAL IMPROVEMENTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$1,176,000	\$130,597	(\$1,045,403)
Investment income	100,000	99,438	(562)
Miscellaneous	11,820	655,217	643,397
	<u>1,287,820</u>	<u>885,252</u>	<u>(402,568)</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
Capital outlay	14,732,453	10,550,008	4,182,445
	<u>14,732,453</u>	<u>10,550,008</u>	<u>4,182,445</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenue over (under) expenditures	<u>(13,444,633)</u>	<u>(9,664,756)</u>	<u>3,779,877</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,777,565	12,587,396	(190,169)
Transfers (out)	(100,000)	(469,041)	(369,041)
	<u>12,677,565</u>	<u>12,118,355</u>	<u>(559,210)</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCE	<u><u>(\$767,068)</u></u>	2,453,599	<u><u>\$3,220,667</u></u>
Fund balance at beginning of year		<u>21,638,709</u>	
Fund balance at end of year		<u><u>\$24,092,308</u></u>	



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CITY OF SAN RAMON, CALIFORNIA
DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for revenue which, by law or administrative action, is designed to finance particular projects and activities in the City's Capital Improvement Program. These funds are the Development Mitigation Fund, Gas Tax Fund, Park Development Fund, Crow Canyon Project Fund, SCCJEP A Fund, Street Maintenance/Improvements Fund, Traffic Improvements Fund, and Tri-Valley Transportation Fund.

The City has several special revenue funds which are funded by special assessments collected annually to pay for specific operating programs. These funds are Citywide Lighting and Landscaping Fund, Special Landscaping Zones Fund, Canyon Park Fund, Village Center Common Area Fund, Solid Waste Fund, and Non-Point Drainage District Fund.

The City has set up separate special revenue funds for recording transactions for special projects and programs. These are the Street Smarts Fund, TDM Programs Fund, Police Services Donation Fund, Geographic Information Systems Fund, Planning Cost Recovery Fund and Public Education and Government Fund.

The CFD 2014-1 Fund is used to account for the acquisition, construction, and improvements of police and public safety facilities, park and recreational facilities, and open space facilities for future annexation areas.

Debt Service Funds

The Debt Service Funds are used to account for the payment of principal and interest on long-term debt of the City and related entities.

The Pension Obligation Bonds Debt Service Fund is used to account for debt service activity related to the 2010 Taxable Pension Obligation Bonds.

The COP #11 Fund is used to account for debt service activity relating to the 2003 Certificates of Participation.

The LED Lights Fund is used to account for debt service activity relating to the LED Lights conversion (CIP 5499).

CITY OF SAN RAMON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2018

	SPECIAL REVENUE FUNDS			
	Planning Cost Recovery	Geographic Information System	CFD 2014-1	Development Mitigation
ASSETS				
Cash and investments	\$854,806	\$173,598		\$664,753
Restricted cash and investments				
Receivable, net:				
Accounts				740
Notes				
Interest	2,812	561	\$213	1,979
Prepaid items				
Total Assets	\$857,618	\$174,159	\$213	\$667,472
LIABILITIES				
Accounts payable				
Accrued payroll	\$4,250			
Due to other funds			\$213	
Deposits payable				
Total Liabilities	4,250		213	
FUND BALANCES				
Nonspendable				
Restricted				\$667,472
Committed	853,368	\$174,159		
TOTAL FUND BALANCES	853,368	174,159		667,472
TOTAL LIABILITIES AND FUND BALANCE	\$857,618	\$174,159	\$213	\$667,472

SPECIAL REVENUE FUNDS

Gas Tax	Park Development	Crow Canyon Project	SCCJEP A	Street Maintenance/ Improvements	Traffic Improvements	Tri-Valley Transportation
\$21,590	\$204,246	\$4,146	\$8,879,344	\$357,016	\$696,785	\$184,243
203,470				2,808		
1,502	674	14	27,605	4,925 192	2,298	607
<u>\$226,562</u>	<u>\$204,920</u>	<u>\$4,160</u>	<u>\$8,906,949</u>	<u>\$364,941</u>	<u>\$699,083</u>	<u>\$184,850</u>
	\$24,421					
	24,421					
\$226,562	180,499	\$4,160	\$8,906,949	\$364,941	\$699,083	\$184,850
<u>226,562</u>	<u>180,499</u>	<u>4,160</u>	<u>8,906,949</u>	<u>364,941</u>	<u>699,083</u>	<u>184,850</u>
<u>\$226,562</u>	<u>\$204,920</u>	<u>\$4,160</u>	<u>\$8,906,949</u>	<u>\$364,941</u>	<u>\$699,083</u>	<u>\$184,850</u>

(Continued)

CITY OF SAN RAMON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2018

		<u>SPECIAL REVENUE FUNDS</u>			
		<u>Public Education and Government</u>	<u>Citywide Lighting and Landscaping</u>	<u>Special Landscaping Zones</u>	<u>Canyon Park</u>
ASSETS					
Cash and investments		\$712,279	\$1,623,251	\$2,218,527	\$206,917
Restricted cash and investments					
Receivable, net:					
Accounts		55,894	70,907	2,698	
Notes					
Interest		2,349	5,435	7,314	684
Prepaid items					
Total Assets		<u>\$770,522</u>	<u>\$1,699,593</u>	<u>\$2,228,539</u>	<u>\$207,601</u>
LIABILITIES					
Accounts payable			\$202,596	\$266,242	
Accrued payroll			23,755	59,752	\$289
Due to other funds					
Deposits payable					
Total Liabilities			<u>226,351</u>	<u>325,994</u>	<u>289</u>
FUND BALANCES					
Nonspendable					
Restricted		\$770,522	1,473,242	1,902,545	207,312
Committed					
TOTAL FUND BALANCES (DEFICITS)		<u>770,522</u>	<u>1,473,242</u>	<u>1,902,545</u>	<u>207,312</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$770,522</u>	<u>\$1,699,593</u>	<u>\$2,228,539</u>	<u>\$207,601</u>

SPECIAL REVENUE FUNDS						DEBT SERVICE FUNDS
Village Center Common Area	Solid Waste	Non-Point Drainage District	Street Smarts	TDM Programs	Police Services Donation	Pension Obligation Bonds
\$54,422	\$414,360	\$66,175	\$305,225		\$226,143	\$45,142 8,067
5,228	36,237	484,443		\$181,296	49,579	
178	1,417 3,218	294	1,023		36	409
<u>\$59,828</u>	<u>\$455,232</u>	<u>\$550,912</u>	<u>\$306,248</u>	<u>\$181,296</u>	<u>\$275,758</u>	<u>\$53,618</u>
\$445	\$182,427 9,955	\$76,906 27,972	\$1,140 7,716	\$26,139 6,873 116,760	\$31 10,664 25,599	
<u>445</u>	<u>192,382</u>	<u>104,878</u>	<u>8,856</u>	<u>149,772</u>	<u>36,294</u>	
59,383	3,218 259,632	446,034	297,392	31,524	239,464	\$53,618
<u>59,383</u>	<u>262,850</u>	<u>446,034</u>	<u>297,392</u>	<u>31,524</u>	<u>239,464</u>	<u>53,618</u>
<u>\$59,828</u>	<u>\$455,232</u>	<u>\$550,912</u>	<u>\$306,248</u>	<u>\$181,296</u>	<u>\$275,758</u>	<u>\$53,618</u>

(Continued)

CITY OF SAN RAMON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2018

DEBT SERVICE FUNDS			
	LED Lights	COP #11	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$2,078	\$1,126,226	\$19,041,272
Restricted cash and investments			8,067
Receivable, net:			
Accounts			1,093,300
Notes			4,925
Interest	63	3,706	61,365
Prepaid items			3,218
	<u>\$2,141</u>	<u>\$1,129,932</u>	<u>\$20,212,147</u>
LIABILITIES			
Accounts payable			\$755,926
Accrued payroll			151,226
Due to other funds			116,973
Deposits payable			50,020
			<u>1,074,145</u>
FUND BALANCES			
Nonspendable			3,218
Restricted	\$2,141	\$1,129,932	18,107,257
Committed			1,027,527
	<u>2,141</u>	<u>1,129,932</u>	<u>19,138,002</u>
TOTAL FUND BALANCE (DEFICITS)	<u>2,141</u>	<u>1,129,932</u>	<u>19,138,002</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$2,141</u>	<u>\$1,129,932</u>	<u>\$20,212,147</u>



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CITY OF SAN RAMON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS			
	Planning Cost Recovery	Geographic Information System	CFD 2014-1	Development Mitigation
REVENUES				
Licenses and permits				
Intergovernmental				
Developer fees		\$129,094		\$764,747
Charges for services	\$370,900			
Fines and forfeitures				
Investment income	4,180	470	\$120	1,171
Special assessments			32,788	
Miscellaneous				
Total Revenues	<u>375,080</u>	<u>129,564</u>	<u>32,908</u>	<u>765,918</u>
EXPENDITURES				
Current:				
Community development	35,285			
Police services				
Public works				
Capital outlay				
Debt service:				
Principal				
Interest and fees				
Total Expenditures	<u>35,285</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>339,795</u>	<u>129,564</u>	<u>32,908</u>	<u>765,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				43,172
Transfers (out)	(402,623)	(50,000)	(67,796)	(371,263)
Total Other Financing Sources (Uses)	<u>(402,623)</u>	<u>(50,000)</u>	<u>(67,796)</u>	<u>(328,091)</u>
Net change in fund balances	(62,828)	79,564	(34,888)	437,827
Fund balances at the beginning of the period	<u>916,196</u>	<u>94,595</u>	<u>34,888</u>	<u>229,645</u>
Fund balances at the end of period	<u><u>\$853,368</u></u>	<u><u>\$174,159</u></u>	<u><u></u></u>	<u><u>\$667,472</u></u>

SPECIAL REVENUE FUNDS

Gas Tax	Park Development	Crow Canyon Project	SCCJEP A	Street Maintenance/ Improvements	Traffic Improvements	Tri-Valley Transportation
\$2,072,627			\$1,847,105	\$1,072,899 7,134	\$666,732	\$60,776
3,394	\$2,118	\$19	33,510	4,771	2,529	250
				1,063		
<u>2,076,021</u>	<u>2,118</u>	<u>19</u>	<u>1,880,615</u>	<u>1,085,867</u>	<u>669,261</u>	<u>61,026</u>
<u>2,076,021</u>	<u>2,118</u>	<u>19</u>	<u>1,880,615</u>	<u>1,085,867</u>	<u>669,261</u>	<u>61,026</u>
(2,011,669)	118,327 (862,443)		(547,997)	1,270 (1,781,132)	53,611 (150,000)	
(2,011,669)	(744,116)		(547,997)	(1,779,862)	(96,389)	
64,352	(741,998)	19	1,332,618	(693,995)	572,872	61,026
162,210	922,497	4,141	7,574,331	1,058,936	126,211	123,824
<u>\$226,562</u>	<u>\$180,499</u>	<u>\$4,160</u>	<u>\$8,906,949</u>	<u>\$364,941</u>	<u>\$699,083</u>	<u>\$184,850</u>

(Continued)

CITY OF SAN RAMON
NON-MAJOR GOVERNMENT FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Public Education and Government</u>	<u>Citywide Lighting and Landscaping</u>	<u>Special Landscaping Zones</u>	<u>Canyon Park</u>
REVENUES				
Licenses and permits				
Intergovernmental	\$233,117	\$10,062		
Developer fees				
Charges for services				
Fines and forfeitures				
Investment income	2,474	4,794	\$6,773	\$948
Special assessments		2,401,379	1,210,083	
Miscellaneous		93,316		
Total Revenues	<u>235,591</u>	<u>2,509,551</u>	<u>1,216,856</u>	<u>948</u>
EXPENDITURES				
Current:				
Community development				
Police services				
Public works		1,716,092	1,522,193	4,634
Capital outlay	4,177			
Debt service:				
Principal				
Interest and fees				
Total Expenditures	<u>4,177</u>	<u>1,716,092</u>	<u>1,522,193</u>	<u>4,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>231,414</u>	<u>793,459</u>	<u>(305,337)</u>	<u>(3,686)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		2,814	477,437	
Transfers (out)	(16,000)	(751,051)	(505,632)	(2,517)
Total Other Financing Sources (Uses)	<u>(16,000)</u>	<u>(748,237)</u>	<u>(28,195)</u>	<u>(2,517)</u>
Net change in fund balances	215,414	45,222	(333,532)	(6,203)
Fund balances at the beginning of the period	<u>555,108</u>	<u>1,428,020</u>	<u>2,236,077</u>	<u>213,515</u>
Fund balances at the end of period	<u><u>\$770,522</u></u>	<u><u>\$1,473,242</u></u>	<u><u>\$1,902,545</u></u>	<u><u>\$207,312</u></u>

SPECIAL REVENUE FUNDS						DEBT SERVICE FUNDS
Village Center Common Area	Solid Waste	Non-Point Drainage District	Street Smarts	TDM Programs	Police Services Donation	Pension Obligation Bonds
	\$19,778		\$103,876	\$425,111		
		\$1,130				
\$220	2,434	573	1,581		\$111,125	\$6,670
6,006	488,466	1,330,614	24,000		822	
		6,000			2,131	1,405,580
6,226	510,678	1,338,317	129,457	425,111	114,078	1,412,250
					152	
2,670	718,124	1,019,506	153,188	393,587		
						355,000
						1,034,969
2,670	718,124	1,019,506	153,188	393,587	152	1,389,969
3,556	(207,446)	318,811	(23,731)	31,524	113,926	22,281
4,073			35,000			1,259,933
		(32,325)				(1,389,933)
4,073		(32,325)	35,000			(130,000)
7,629	(207,446)	286,486	11,269	31,524	113,926	(107,719)
51,754	470,296	159,548	286,123		125,538	161,337
\$59,383	\$262,850	\$446,034	\$297,392	\$31,524	\$239,464	\$53,618

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CITY OF SAN RAMON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>DEBT SERVICE FUNDS</u>		Total Nonmajor Governmental Funds
	<u>LED Lights</u>	<u>COP #11</u>	
REVENUES			
Licenses and permits			
Intergovernmental			\$3,937,470
Developer fees			3,475,588
Charges for services			372,030
Fines and forfeitures			111,125
Investment income	\$828		80,649
Special assessments			4,974,864
Miscellaneous			2,026,562
	<u>828</u>		<u>14,978,288</u>
EXPENDITURES			
Current:			
Community development			35,285
Police services			152
Public works			5,529,994
Capital outlay			4,177
Debt service:			
Principal	210,421	\$220,000	785,421
Interest and fees	42,369	10,926	1,088,264
	<u>252,790</u>	<u>230,926</u>	<u>7,443,293</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(251,962)</u>	<u>(230,926)</u>	<u>7,534,995</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	252,790		2,248,427
Transfers (out)			(8,942,381)
	<u>252,790</u>		<u>(6,693,954)</u>
Net change in fund balances	828	(230,926)	841,041
Fund balances at the beginning of the period	<u>1,313</u>	<u>1,360,858</u>	<u>18,296,961</u>
Fund balances at the end of period	<u><u>\$2,141</u></u>	<u><u>\$1,129,932</u></u>	<u><u>\$19,138,002</u></u>

CITY OF SAN RAMON
 PLANNING COST RECOVERY FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$111,000	\$370,900	\$259,900
Investment income		4,180	4,180
	111,000	375,080	264,080
EXPENDITURES			
Current:			
Community development	46,778	35,285	11,493
	46,778	35,285	11,493
Excess (deficiency) of revenue over (under) expenditures	64,222	339,795	275,573
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(402,623)	(402,623)	
	(402,623)	(402,623)	
NET CHANGE IN FUND BALANCE	(\$338,401)	(62,828)	\$275,573
Fund balance (deficit) at beginning of year		916,196	
Fund balance (deficit) at end of year		\$853,368	

CITY OF SAN RAMON
GEOGRAPHIC INFORMATION SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Developer fees	\$55,500	\$129,094	\$73,594
Investment income		470	470
	<u>55,500</u>	<u>129,564</u>	<u>74,064</u>
Total revenues			
Excess (deficiency) of revenue over (under) expenditures	<u>55,500</u>	<u>129,564</u>	<u>74,064</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(50,000)</u>	<u>(50,000)</u>	
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	
NET CHANGE IN FUND BALANCE	<u><u>\$5,500</u></u>	<u>79,564</u>	<u><u>\$74,064</u></u>
Fund balance at beginning of year		<u>94,595</u>	
Fund balance at end of year		<u><u>\$174,159</u></u>	

CITY OF SAN RAMON
 CFD 2014-1 FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$58,560	\$32,788	(\$25,772)
Investment income		120	120
Total revenues	58,560	32,908	(25,652)
Excess (deficiency) of revenue over (under) expenditures	58,560	32,908	(25,652)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(71,925)	(67,796)	4,129
Total Other Financing Sources (Uses)	(71,925)	(67,796)	4,129
NET CHANGE IN FUND BALANCE	(\$13,365)	(34,888)	(\$21,523)
Fund balance at beginning of year		34,888	
Fund balance at end of year			

CITY OF SAN RAMON
DEVELOPMENT MITIGATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Developer fees	\$460,343	\$764,747	\$304,404
Investment income		1,171	1,171
	460,343	765,918	305,575
Total revenues			
Excess (deficiency) of revenue over (under) expenditures	460,343	765,918	305,575
OTHER FINANCING SOURCES (USES)			
Transfers in		43,172	43,172
Transfers (out)	(371,263)	(371,263)	
	(371,263)	(328,091)	43,172
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCE	\$89,080	437,827	\$348,747
Fund balance at beginning of year		229,645	
Fund balance at end of year		\$667,472	

CITY OF SAN RAMON
GAS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental	\$2,186,556	\$2,072,627	(\$113,929)
Investment income		3,394	3,394
	<u>2,186,556</u>	<u>2,076,021</u>	<u>(110,535)</u>
Total revenues			
Excess (deficiency) of revenue over (under) expenditures	<u>2,186,556</u>	<u>2,076,021</u>	<u>(110,535)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(2,110,913)</u>	<u>(2,011,669)</u>	<u>99,244</u>
Total Other Financing Sources (Uses)	<u>(2,110,913)</u>	<u>(2,011,669)</u>	<u>99,244</u>
NET CHANGE IN FUND BALANCE	<u><u>\$75,643</u></u>	64,352	<u><u>(\$11,291)</u></u>
Fund balance at beginning of year		<u>162,210</u>	
Fund balance at end of year		<u><u>\$226,562</u></u>	

CITY OF SAN RAMON
 PARK DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Investment income		\$2,118	\$2,118
Total revenues		<u>2,118</u>	<u>2,118</u>
Excess (deficiency) of revenue over (under) expenditures		<u>2,118</u>	<u>2,118</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$16,224	118,327	102,103
Transfers (out)	<u>(862,443)</u>	<u>(862,443)</u>	
Total Other Financing Sources (Uses)	<u>(846,219)</u>	<u>(744,116)</u>	<u>102,103</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$846,219)</u></u>	<u>(741,998)</u>	<u><u>\$104,221</u></u>
Fund balance at beginning of year		<u>922,497</u>	
Fund balance at end of year		<u><u>\$180,499</u></u>	

CITY OF SAN RAMON
 CROW CANYON PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income		\$19	\$19
Total revenues		19	19
Excess (deficiency) of revenue over (under) expenditures		19	19
 NET CHANGE IN FUND BALANCE	 	 19	 \$19
Fund balance at beginning of year		4,141	
Fund balance at end of year		\$4,160	

CITY OF SAN RAMON
 SCCJEP A FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Developer fees	\$1,797,125	\$1,847,105	\$49,980
Investment income		33,510	33,510
	1,797,125	1,880,615	83,490
Total revenues	1,797,125	1,880,615	83,490
Excess (deficiency) of revenue over (under) expenditures	1,797,125	1,880,615	83,490
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)	(547,997)	(547,997)	
Total Other Financing Sources (Uses)	(547,997)	(547,997)	
NET CHANGE IN FUND BALANCE	\$1,249,128	1,332,618	\$83,490
Fund balance at beginning of year		7,574,331	
Fund balance at end of year		\$8,906,949	

CITY OF SAN RAMON
STREET MAINTENANCE/ IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$868,052	\$1,072,899	\$204,847
Developer fees	473,000	7,134	(465,866)
Investment income		4,771	4,771
Miscellaneous		1,063	1,063
	<u>1,341,052</u>	<u>1,085,867</u>	<u>(255,185)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,341,052</u>	<u>1,085,867</u>	<u>(255,185)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		1,270	1,270
Transfers (out)	(1,781,132)	(1,781,132)	
	<u>(1,781,132)</u>	<u>(1,779,862)</u>	<u>1,270</u>
NET CHANGE IN FUND BALANCE	<u>(\$440,080)</u>	<u>(693,995)</u>	<u>(\$253,915)</u>
Fund balance at beginning of year		<u>1,058,936</u>	
Fund balance at end of year		<u>\$364,941</u>	

CITY OF SAN RAMON
 TRAFFIC IMPROVEMENTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Developer fees	\$182,941	\$666,732	\$483,791
Investment income		2,529	2,529
	<u>182,941</u>	<u>669,261</u>	<u>486,320</u>
Total revenues			
Excess (deficiency) of revenue over (under) expenditures	<u>182,941</u>	<u>669,261</u>	<u>486,320</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		53,611	53,611
Transfers (out)	<u>(150,000)</u>	<u>(150,000)</u>	
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(96,389)</u>	<u>53,611</u>
NET CHANGE IN FUND BALANCE	<u>\$32,941</u>	572,872	<u>\$539,931</u>
Fund balance at beginning of year		<u>126,211</u>	
Fund balance at end of year		<u>\$699,083</u>	

CITY OF SAN RAMON
 TRI-VALLEY TRANSPORTATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Developer fees	\$127,096	\$60,776	(\$66,320)
Investment income		250	250
	<u>127,096</u>	<u>61,026</u>	<u>(66,070)</u>
Total revenues			
Excess (deficiency) of revenue over (under) expenditures	<u>127,096</u>	<u>61,026</u>	<u>(66,070)</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$127,096</u></u>	 <u>61,026</u>	 <u><u>(\$66,070)</u></u>
Fund balance at beginning of year		<u>123,824</u>	
Fund balance at end of year		<u><u>\$184,850</u></u>	

CITY OF SAN RAMON
PUBLIC EDUCATION AND GOVERNMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$255,000	\$233,117	(\$21,883)
Investment income		2,474	2,474
	<u>255,000</u>	<u>235,591</u>	<u>(19,409)</u>
EXPENDITURES			
Current:			
General Government			
Capital outlay	100,000	4,177	95,823
	<u>100,000</u>	<u>4,177</u>	<u>95,823</u>
Excess (deficiency) of revenue over (under) expenditures	155,000	231,414	76,414
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(16,000)	(16,000)	
	<u>(16,000)</u>	<u>(16,000)</u>	
NET CHANGE IN FUND BALANCE	<u>\$139,000</u>	<u>215,414</u>	<u>\$76,414</u>
Fund balance at beginning of year		<u>555,108</u>	
Fund balance at end of year		<u>\$770,522</u>	

CITY OF SAN RAMON
CITYWIDE LIGHTING AND LANDSCAPING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$2,384,223	\$2,401,379	\$17,156
Intergovernmental	8,500	10,062	1,562
Investment income		4,794	4,794
Miscellaneous		93,316	93,316
	<u>2,392,723</u>	<u>2,509,551</u>	<u>116,828</u>
EXPENDITURES			
Current:			
Public works	<u>1,751,153</u>	<u>1,716,092</u>	<u>35,061</u>
	<u>1,751,153</u>	<u>1,716,092</u>	<u>35,061</u>
Excess (deficiency) of revenue over (under) expenditures	<u>641,570</u>	<u>793,459</u>	<u>151,889</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		2,814	2,814
Transfers (out)	<u>(751,051)</u>	<u>(751,051)</u>	
	<u>(751,051)</u>	<u>(748,237)</u>	<u>2,814</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$109,481)</u></u>	45,222	<u><u>\$154,703</u></u>
Fund balance at beginning of year		<u>1,428,020</u>	
Fund balance at end of year		<u><u>\$1,473,242</u></u>	

CITY OF SAN RAMON
SPECIAL LANDSCAPING ZONES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$1,212,888	\$1,210,083	(\$2,805)
Investment income		6,773	6,773
	1,212,888	1,216,856	3,968
EXPENDITURES			
Current:			
Public works	1,727,958	1,522,193	205,765
	1,727,958	1,522,193	205,765
Excess (deficiency) of revenue over (under) expenditures	(515,070)	(305,337)	209,733
OTHER FINANCING SOURCES (USES)			
Transfers in	477,437	477,437	
Transfers (out)	(505,632)	(505,632)	
	(28,195)	(28,195)	
NET CHANGE IN FUND BALANCE	(\$543,265)	(333,532)	\$209,733
Fund balance at beginning of year		2,236,077	
Fund balance at end of year		\$1,902,545	

CITY OF SAN RAMON
CANYON PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$10,990		(\$10,990)
Investment income		\$948	948
Total revenues	10,990	948	(10,042)
EXPENDITURES			
Current:			
Public works	58,554	4,634	53,920
Total expenditures	58,554	4,634	53,920
Excess (deficiency) of revenue over (under) expenditures	(47,564)	(3,686)	43,878
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,517)	(2,517)	
Total Other Financing Sources (Uses)	(2,517)	(2,517)	
NET CHANGE IN FUND BALANCE	(\$50,081)	(6,203)	\$43,878
Fund balance at beginning of year		213,515	
Fund balance at end of year		\$207,312	

CITY OF SAN RAMON
VILLAGE CENTER COMMON AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income		\$220	\$220
Miscellaneous	\$6,006	6,006	
Total revenues	6,006	6,226	220
EXPENDITURES			
Current:			
Public works	10,452	2,670	7,782
Total expenditures	10,452	2,670	7,782
Excess (deficiency) of revenue over (under) expenditures	(4,446)	3,556	8,002
OTHER FINANCING SOURCES (USES)			
Transfers in	4,073	4,073	
Total Other Financing Sources (Uses)	4,073	4,073	
NET CHANGE IN FUND BALANCE	(\$373)	7,629	\$8,002
Fund balance at beginning of year		51,754	
Fund balance at end of year		\$59,383	

CITY OF SAN RAMON
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$20,000	\$19,778	(\$222)
Investment income		2,434	2,434
Miscellaneous	420,000	488,466	68,466
Total revenues	440,000	510,678	70,678
EXPENDITURES			
Current:			
Public works	769,241	718,124	51,117
Total expenditures	769,241	718,124	51,117
Excess (deficiency) of revenue over (under) expenditures	(329,241)	(207,446)	121,795
NET CHANGE IN FUND BALANCE	(\$329,241)	(207,446)	\$121,795
Fund balance at beginning of year		470,296	
Fund balance at end of year		\$262,850	

CITY OF SAN RAMON
NON-POINT DRAINAGE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services		\$1,130	\$1,130
Special assessments	\$1,170,444	1,330,614	160,170
Investment income		573	573
Miscellaneous	6,000	6,000	
Total revenues	1,176,444	1,338,317	161,873
EXPENDITURES			
Current:			
Public works	1,244,339	1,019,506	224,833
Total expenditures	1,244,339	1,019,506	224,833
Excess (deficiency) of revenue over (under) expenditures	(67,895)	318,811	386,706
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(32,325)	(32,325)	
Total Other Financing Sources (Uses)	(32,325)	(32,325)	
NET CHANGE IN FUND BALANCE	(\$100,220)	286,486	\$386,706
Fund balance at beginning of year		159,548	
Fund balance at end of year		\$446,034	

CITY OF SAN RAMON
STREET SMARTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$208,600	\$103,876	(\$104,724)
Investment income		1,581	1,581
Miscellaneous	39,500	24,000	(15,500)
Total revenues	248,100	129,457	(118,643)
EXPENDITURES			
Current:			
Public Works	233,800	153,188	80,612
Total expenditures	233,800	153,188	80,612
Excess (deficiency) of revenue over (under) expenditures	14,300	(23,731)	(38,031)
OTHER FINANCING SOURCES (USES)			
Transfers in	35,000	35,000	
Total Other Financing Sources (Uses)	35,000	35,000	
NET CHANGE IN FUND BALANCE	\$49,300	11,269	(\$38,031)
Fund balance at beginning of year		286,123	
Fund balance at end of year		\$297,392	

CITY OF SAN RAMON
TDM PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$648,121	\$425,111	(\$223,010)
Total revenues	648,121	425,111	(223,010)
EXPENDITURES			
Current:			
Public Works	648,121	393,587	254,534
Total expenditures	648,121	393,587	254,534
Excess (deficiency) of revenue over (under) expenditures		31,524	31,524
NET CHANGE IN FUND BALANCE		31,524	\$31,524
Fund balance at beginning of year			
Fund balance at end of year		\$31,524	

CITY OF SAN RAMON
POLICE SERVICES DONATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and forfeitures	\$73,956	\$111,125	\$37,169
Investment income		822	822
Miscellaneous		2,131	2,131
	73,956	114,078	40,122
Total revenues			
EXPENDITURES			
Current:			
Police services	194,940	152	194,788
	194,940	152	194,788
Total expenditures			
Excess (deficiency) of revenue over (under) expenditures	(120,984)	113,926	234,910
NET CHANGE IN FUND BALANCE	(\$120,984)	113,926	\$234,910
Fund balance at beginning of year		125,538	
Fund balance at end of year		\$239,464	

CITY OF SAN RAMON
PENSION OBLIGATION BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income		\$6,670	\$6,670
Miscellaneous	\$1,389,933	1,405,580	15,647
Total revenues	1,389,933	1,412,250	22,317
EXPENDITURES			
Debt service:			
Principal	355,000	355,000	
Interest and fees	1,034,933	1,034,969	(36)
Total expenditures	1,389,933	1,389,969	(36)
Excess (deficiency) of revenue over (under) expenditures		22,281	22,281
OTHER FINANCING SOURCES (USES)			
Transfers in	1,259,933	1,259,933	
Transfers (out)	(1,389,933)	(1,389,933)	
Total Other Financing Sources (Uses)	(130,000)	(130,000)	
NET CHANGE IN FUND BALANCE	(\$130,000)	(107,719)	\$22,281
Fund balance at beginning of year		161,337	
Fund balance at end of year		\$53,618	

CITY OF SAN RAMON
LED LIGHTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income		\$828	\$828
Total revenues		<u>828</u>	<u>828</u>
EXPENDITURES			
Debt service:			
Principal	\$210,421	210,421	
Interest and fees	<u>42,369</u>	<u>42,369</u>	
Total expenditures	<u>252,790</u>	<u>252,790</u>	
Excess (deficiency) of revenue over (under) expenditures	<u>(252,790)</u>	<u>(251,962)</u>	<u>828</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>252,790</u>	<u>252,790</u>	
Total Other Financing Sources (Uses)	<u>252,790</u>	<u>252,790</u>	
NET CHANGE IN FUND BALANCE		<u>828</u>	<u>\$828</u>
Fund balance at beginning of year		<u>1,313</u>	
Fund balance at end of year		<u><u>\$2,141</u></u>	

CITY OF SAN RAMON
COP #11 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
Debt service:			
Principal	\$220,000	\$220,000	
Interest and fees	13,680	10,926	\$2,754
Total expenditures	233,680	230,926	2,754
Excess (deficiency) of revenue over (under) expenditures	(233,680)	(230,926)	2,754
NET CHANGE IN FUND BALANCE	(\$233,680)	(230,926)	\$2,754
Fund balance at beginning of year		1,360,858	
Fund balance at end of year		\$1,129,932	

CITY OF SAN RAMON, CALIFORNIA
DESCRIPTIONS OF INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other governmental units on a cost reimbursement basis (including depreciation).

The Investment Fund is used to account for the management of investments.

The Equipment Replacement Fund is used to account for replacement of major equipment and vehicles. Revenues are derived from allocated charges to the department's general fund.

The Information System Replacement Fund is used to account for replacement of computer related equipment.

The Insurance Liability Fund is used to administer the City employee's leave payouts, retiree medical benefits, general insurance, and safety programs with the goals of reducing insurance-related costs, maintain appropriate levels of coverage and to build contingent loss reserves.

The Healthcare Fund is used to account for City employee's healthcare premiums and claims.

The Infrastructure Maintenance Fund is used to account for the cost of maintaining City buildings.

CITY OF SAN RAMON
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2018

	Investment Fund	Equipment Replacement Fund	Information System Replacement Fund	Insurance Liability Fund
ASSETS				
Current Assets:				
Cash and investments	\$9,612	\$3,477,437	\$1,318,091	\$1,590,173
Restricted cash and investments				
Receivables, net:				
Accounts		9,797		117,536
Interest		11,338	4,304	5,024
Total Current Assets	9,612	3,498,572	1,322,395	1,712,733
Noncurrent Assets:				
Capital assets, net of accumulated depreciation		3,384,202		
Total Assets	9,612	6,882,774	1,322,395	1,712,733
LIABILITIES				
Current Liabilities:				
Accounts payable	6,291	429,413	47,447	8,481
Accrued payroll	3,321			100,253
Total Liabilities	9,612	429,413	47,447	108,734
NET POSITION				
Net investment in capital asset Unrestricted		3,384,202 3,069,159	1,274,948	1,603,999
Total Net Position		\$6,453,361	\$1,274,948	\$1,603,999

<u>Healthcare Fund</u>	<u>Infrastructure Maintenance Fund</u>	<u>Totals</u>
\$139,542	\$1,876,496	\$8,411,351
2,100,000		2,100,000
306,307		433,640
5,969	6,155	32,790
<u>2,551,818</u>	<u>1,882,651</u>	<u>10,977,781</u>
		<u>3,384,202</u>
<u>2,551,818</u>	<u>1,882,651</u>	<u>14,361,983</u>
1,910		493,542
		103,574
<u>1,910</u>		<u>597,116</u>
2,549,908	1,882,651	3,384,202
<u>2,549,908</u>	<u>1,882,651</u>	<u>10,380,665</u>
<u>\$2,549,908</u>	<u>\$1,882,651</u>	<u>\$13,764,867</u>

CITY OF SAN RAMON
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Investment Fund	Equipment Replacement Fund	Information System Replacement Fund	Insurance Liability Fund
OPERATING REVENUES				
Charges for services		\$878,806	\$357,127	\$2,832,116
Miscellaneous		31,646		
Total Operating Revenues		910,452	357,127	2,832,116
OPERATING EXPENSES				
Personnel services	\$53,841			934,446
Services and supplies		31,151	125,637	54,452
Claims and insurance				2,453,803
Depreciation		917,637		
Total Operating Expenses	53,841	948,788	125,637	3,442,701
Operating Income (Loss)	(53,841)	(38,336)	231,490	(610,585)
NONOPERATING REVENUES (EXPENSES)				
Investment income (expenses)	53,841	15,388	4,938	1,646
Intergovernmental				236,603
Net Nonoperating Revenues (Expenses)	53,841	15,388	4,938	238,249
Income (Loss) Before Contributions and Transfers		(22,948)	236,428	(372,336)
Transfers in		326,634		125,994
Transfers (out)		(34,390)	(18,179)	
Net Transfers		292,244	(18,179)	125,994
Change in net position		269,296	218,249	(246,342)
Total net position-beginning of year		6,184,065	1,056,699	1,850,341
Total net position-end of year		\$6,453,361	\$1,274,948	\$1,603,999

<u>Healthcare Fund</u>	<u>Infrastructure Maintenance Fund</u>	<u>Totals</u>
\$8,209,930	\$11,100	\$12,289,079
		31,646
<u>8,209,930</u>	<u>11,100</u>	<u>12,320,725</u>
		988,287
5,766,194		5,977,434
		2,453,803
		917,637
<u>5,766,194</u>		<u>10,337,161</u>
<u>2,443,736</u>	<u>11,100</u>	<u>1,983,564</u>
		82,853
(49)	7,089	236,603
<u>(49)</u>	<u>7,089</u>	<u>319,456</u>
<u>2,443,687</u>	<u>18,189</u>	<u>2,303,020</u>
	3,505,781	3,958,409
	(3,145,256)	(3,197,825)
	360,525	760,584
2,443,687	378,714	3,063,604
<u>106,221</u>	<u>1,503,937</u>	<u>10,701,263</u>
<u>\$2,549,908</u>	<u>\$1,882,651</u>	<u>\$13,764,867</u>

CITY OF SAN RAMON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Investment Fund	Equipment Replacement Fund	Information System Replacement Fund	Insurance Liability Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from department users		\$897,659	\$355,632	\$2,795,166
Cash payments to suppliers of goods and services		291,161	(119,529)	(72,480)
Cash payments to and on behalf of employees for services	(\$53,856)			(3,379,228)
Net cash provided by operating activities	(53,856)	1,188,820	236,103	(656,542)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental				236,603
Transfers in		326,634		125,994
Transfers (out)		(34,390)	(18,179)	
Cash Flows from Noncapital Financing Activities		292,244	(18,179)	362,597
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets, net		(1,261,798)		
Cash Flows from Capital and Related Financing Activities		(1,261,798)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings received (paid)	53,841	15,388	4,938	1,646
Cash Flows from Investing Activities	53,841	15,388	4,938	1,646
Net increase (decrease) in cash and cash equivalents	(15)	234,654	222,862	(292,299)
Cash and investments at beginning of period	9,627	3,242,783	1,095,229	1,882,472
Cash and investments at end of period	\$9,612	\$3,477,437	\$1,318,091	\$1,590,173

<u>Healthcare Fund</u>	<u>Infrastructure Maintenance Fund</u>	<u>Totals</u>
\$7,903,920 (5,711,070)	\$8,799	\$11,961,176 (5,611,918) (3,433,084)
<u>2,192,850</u>	<u>8,799</u>	<u>2,916,174</u>
		236,603
	3,505,781 (3,145,256)	3,958,409 (3,197,825)
	<u>360,525</u>	<u>997,187</u>
		(1,261,798)
		(1,261,798)
<u>(49)</u>	<u>7,089</u>	<u>82,853</u>
<u>(49)</u>	<u>7,089</u>	<u>82,853</u>
2,192,801	376,413	2,734,416
<u>46,741</u>	<u>1,500,083</u>	<u>7,776,935</u>
<u>\$2,239,542</u>	<u>\$1,876,496</u>	<u>\$10,511,351</u>

CITY OF SAN RAMON
INTERNAL SERVICES FUND
COMBINING STATEMENT OF CASH FLOW, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

	Investment Fund	Equipment Replacement Fund	Information System Replacement Fund	Insurance Liability Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	(\$53,841)	(\$38,336)	\$231,490	(\$610,585)
Nonoperating income (expense), other than those from financing, capital related, or investing activities				
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization		917,637		
Change in assets and liabilities:				
Accounts receivable		(9,797)		(36,479)
Interest receivable		(2,996)	(1,495)	(471)
Prepays and deposits				
Accounts payable		322,312	6,108	(18,028)
Accrued payroll	(15)			9,021
	(15)			9,021
Net cash provided by operating activities	(\$53,856)	\$1,188,820	\$236,103	(\$656,542)

<u>Healthcare Fund</u>	<u>Infrastructure Maintenance Fund</u>	<u>Totals</u>
\$2,443,736	\$11,100	\$1,983,564
		917,637
(300,042)		(346,318)
(5,968)	(2,301)	(13,231)
55,429		55,429
(305)		310,087
		9,006
<u>\$2,192,850</u>	<u>\$8,799</u>	<u>\$2,916,174</u>



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CITY OF SAN RAMON, CALIFORNIA
DESCRIPTIONS OF FIDUCIARY FUNDS

GASB Statement 34 requires that Agency Funds be presented separately from the Government –wide and Fund financial statements.

Agency Funds

Agency Funds account for assets held by the governmental unit in the capacity of agent for individuals, governmental entities, and non-public organizations.

The Agency Funds used to account for monies held by the City in a fiduciary capacity are as follows:

The *Fostoria Assessment District Fund* is used to account for the special assessment bonds issued for the purpose of public improvements by the Fostoria Parkway Assessment District.

The *Cree Court Assessment District Fund* is used to account for the debt issued to finance infrastructure improvements and facilities within its boundaries.

The *SCCJEPA Trust Fund* is used to account for the collection of development related impact fees for distribution to the Town of Danville and Contra Costa County per the SCCJEPA agreement.

The *San Ramon Valley Tourism Improvement District Fund* is used to account for the collection of Tri-Valley Tourism Business Improvement District assessment on lodging business for which the City is acting only as an agent.

The *DV Performing Arts Theater Fund* is used to account for funds related to cultural and theater arts.

CITY OF SAN RAMON
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<hr/> <i>Fostoria Assessment District Fund</i> <hr/>				
ASSETS				
Cash and investments	\$21,097	\$20	\$21,097	\$20
Total Assets	<u>\$21,097</u>	<u>\$20</u>	<u>\$21,097</u>	<u>\$20</u>
LIABILITIES				
Due to bondholders	\$21,097	\$20	\$21,097	\$20
Total Liabilities	<u>\$21,097</u>	<u>\$20</u>	<u>\$21,097</u>	<u>\$20</u>
<hr/> <i>Cree Court Assessment District Fund</i> <hr/>				
ASSETS				
Cash and investments	\$65,591	\$8,898	\$8,901	\$65,588
Interest receivable	170	217	170	217
Total Assets	<u>\$65,761</u>	<u>\$9,115</u>	<u>\$9,071</u>	<u>\$65,805</u>
LIABILITIES				
Due to bondholders	\$65,761	\$9,115	\$9,071	\$65,805
Total Liabilities	<u>\$65,761</u>	<u>\$9,115</u>	<u>\$9,071</u>	<u>\$65,805</u>
<hr/> <i>SCCJEPA Trust Fund</i> <hr/>				
ASSETS				
Cash and investments	\$98,510	\$123,708	\$729	\$221,489
Interest receivable	24	730	24	730
Total Assets	<u>\$98,534</u>	<u>\$124,438</u>	<u>\$753</u>	<u>\$222,219</u>
LIABILITIES				
Due to other governments	\$98,534	\$124,438	\$753	\$222,219
Total Liabilities	<u>\$98,534</u>	<u>\$124,438</u>	<u>\$753</u>	<u>\$222,219</u>

(Continued)

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
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ASSETS

Cash and investments	\$84,917	\$90,188	\$84,917	\$90,188
Total Assets	<u>\$84,917</u>	<u>\$90,188</u>	<u>\$84,917</u>	<u>\$90,188</u>

LIABILITIES

Accounts payable	\$1,700	\$1,070	\$1,700	\$1,070
Due to other governments	<u>83,217</u>	<u>89,118</u>	<u>83,217</u>	<u>89,118</u>
Total Liabilities	<u>\$84,917</u>	<u>\$90,188</u>	<u>\$84,917</u>	<u>\$90,188</u>

DV Performing Arts Theater

ASSETS

Cash and investments	\$112,167	\$15,635	\$87,750	\$40,052
Total Assets	<u>\$112,167</u>	<u>\$15,635</u>	<u>\$87,750</u>	<u>\$40,052</u>

LIABILITIES

Accounts payable				
Due to other governments	<u>\$112,167</u>	<u>\$15,635</u>	<u>87,750</u>	<u>\$40,052</u>
Total Liabilities	<u>\$112,167</u>	<u>\$15,635</u>	<u>\$87,750</u>	<u>\$40,052</u>

Total Agency Funds

ASSETS

Cash and investments	\$382,282	\$238,449	\$203,394	\$417,337
Interest receivable	<u>194</u>	<u>947</u>	<u>194</u>	<u>947</u>
Total Assets	<u>\$382,476</u>	<u>\$239,396</u>	<u>\$203,588</u>	<u>\$418,284</u>

LIABILITIES

Accounts payable	\$1,700	\$1,070	\$1,700	\$1,070
Due to bondholders	86,858	9,135	30,168	65,825
Due to other governments	<u>293,918</u>	<u>229,191</u>	<u>171,720</u>	<u>351,389</u>
Total Liabilities	<u>\$382,476</u>	<u>\$239,396</u>	<u>\$203,588</u>	<u>\$418,284</u>



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STATISTICAL SECTION



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CITY OF SAN RAMON, CALIFORNIA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2018

This part of the City of San Ramon'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 of San Ramon's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the City of San Ramon's financial performance and well-being have changed over time.....	156-164
Revenue Capacity	
These schedules contain information to help the reader assess the City of San Ramon's most significant local revenue source, the property tax.	165-170
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City of San Ramon's current levels of outstanding debt and our ability to issue additional debt in the future.....	171-175
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of San Ramon's financial activities take place.	176-180
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City of San Ramon's financial report relates to the services the City of San Ramon provides and the activities it performs.	181-183

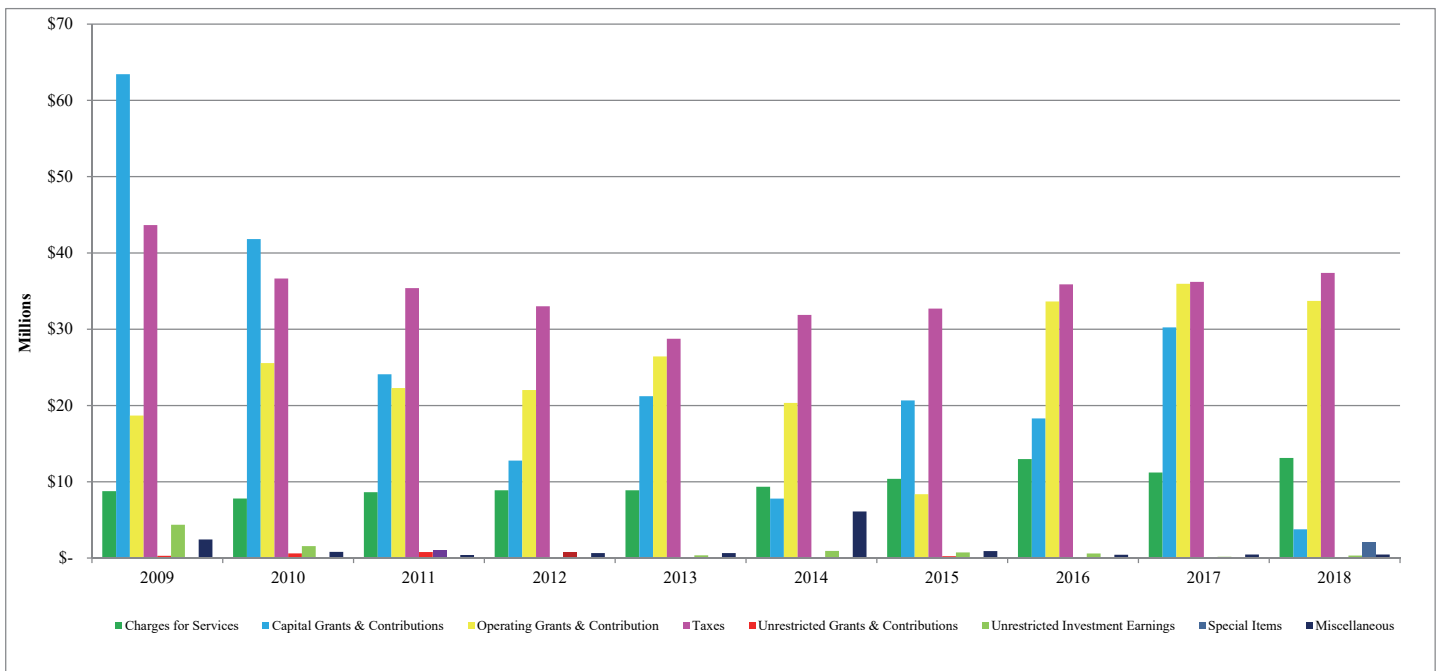
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF SAN RAMON
GOVERNMENT-WIDE REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Program Revenues			General Revenues					
	Charges for Services	Operating Grants & Contribution	Capital Grants & Contributions	Taxes	Unrestricted Grants & Contributions	Unrestricted Investment Earnings	Special Items	Miscellaneous	Total
2009	\$8,772,167	\$18,686,921	\$63,437,561	\$43,657,423	\$296,468	\$4,366,204	-	\$2,435,411	\$141,652,155
2010	7,801,868	25,564,895	41,818,078	36,641,877	615,652	1,571,949	-	815,954	114,830,273
2011	8,627,637	22,290,276	24,096,911	35,379,385	795,738	979,570	-	408,728	92,578,245
2012	8,886,433	22,027,560	12,769,956	33,004,871	68,725	765,755	-	658,223	78,181,523
2013	8,885,884	26,430,414	21,224,331	28,752,577	38,128	364,864	-	658,478	86,354,676
2014	9,348,125	20,344,930	7,792,579	31,873,118	44,552	934,329	-	6,103,351	76,440,984
2015	10,379,205	8,375,452	20,661,559	32,701,787	249,649	738,368	-	919,352	74,025,372
2016	12,975,507	33,628,638	18,300,560	35,870,195	100,286	605,093	-	436,250	101,916,529
2017	11,214,119	35,947,470	30,233,200	36,197,046	47,706	175,776	-	471,260	114,286,577
2018	13,114,680	33,704,789	3,770,000	37,372,326	66,084	327,941	\$2,041,845	470,512	90,868,177

Special Item: Assets transferred from Successor Agency (Note 7)

Source: City of San Ramon Finance Department.

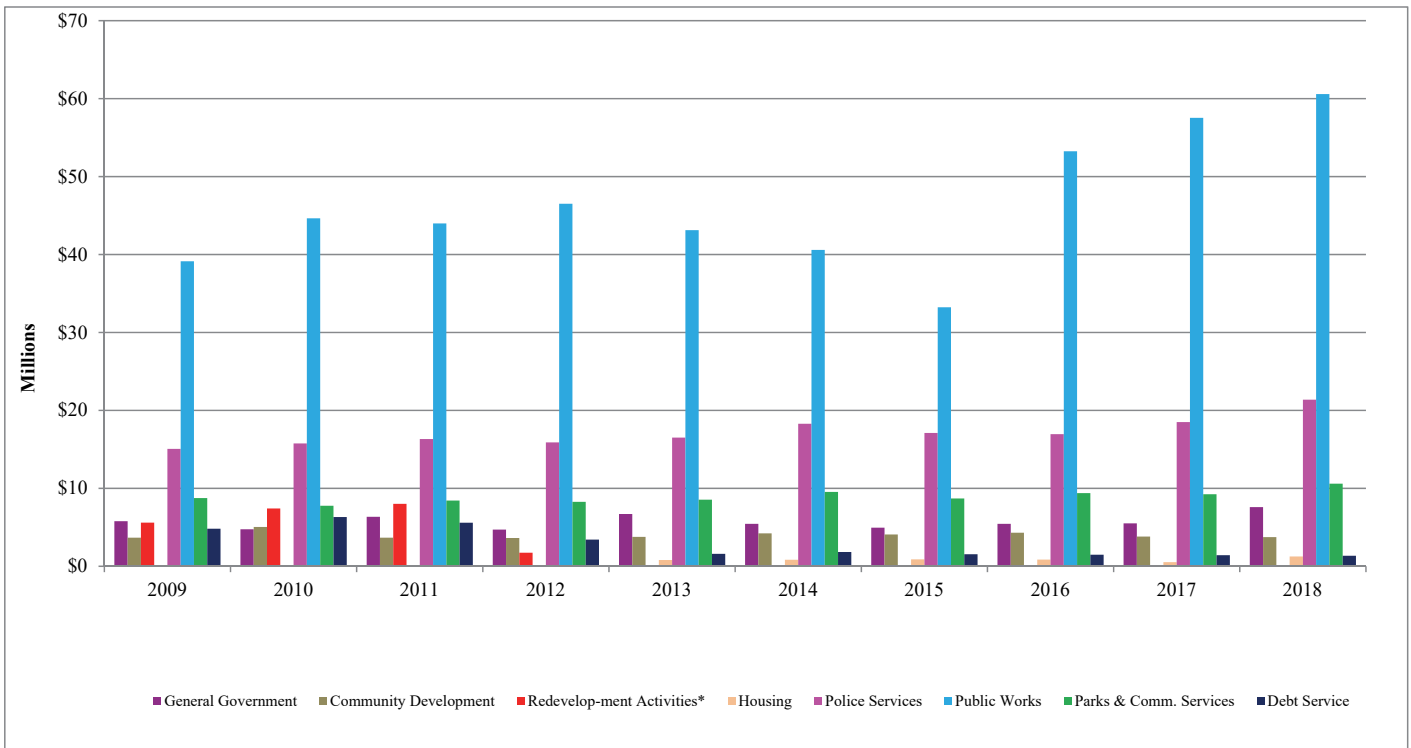


**CITY OF SAN RAMON
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	General Government	Community Development	Redevelopment Activities*	Housing	Police Services	Public Works	Parks & Comm. Services	Debt Service	Total
2009	\$5,788,545	\$3,668,601	\$5,606,182	-	\$15,060,970	\$39,132,983	\$8,745,298	\$4,818,092	\$82,820,671
2010	4,752,394	5,046,559	7,409,543	-	15,752,533	44,650,311	7,756,449	6,323,261	91,691,050
2011	6,348,129	3,667,864	8,001,831	-	16,322,304	43,994,027	8,429,240	5,595,791	92,359,186
2012	4,705,554	3,629,772	1,739,062	-	15,891,547	46,502,699	8,257,793	3,430,515	84,156,942
2013	6,706,998	3,778,893	-	\$808,780	16,501,843	43,125,287	8,534,078	1,602,570	81,058,449
2014	5,448,270	4,231,229	-	839,689	18,280,088	40,595,096	9,534,445	1,828,930	80,757,747
2015	4,958,010	4,087,620	-	884,366	17,098,714	33,230,480	8,690,941	1,549,984	70,500,115
2016	5,447,838	4,312,666	-	857,894	16,951,992	53,235,400	9,376,348	1,480,226	91,662,364
2017	5,511,125	3,811,113	-	532,789	18,497,953	57,528,031	9,235,946	1,421,758	96,538,715
2018	7,586,147	3,744,306	-	1,255,134	21,366,871	60,581,885	10,596,399	1,349,824	106,480,566

Source: City of San Ramon Finance Department.

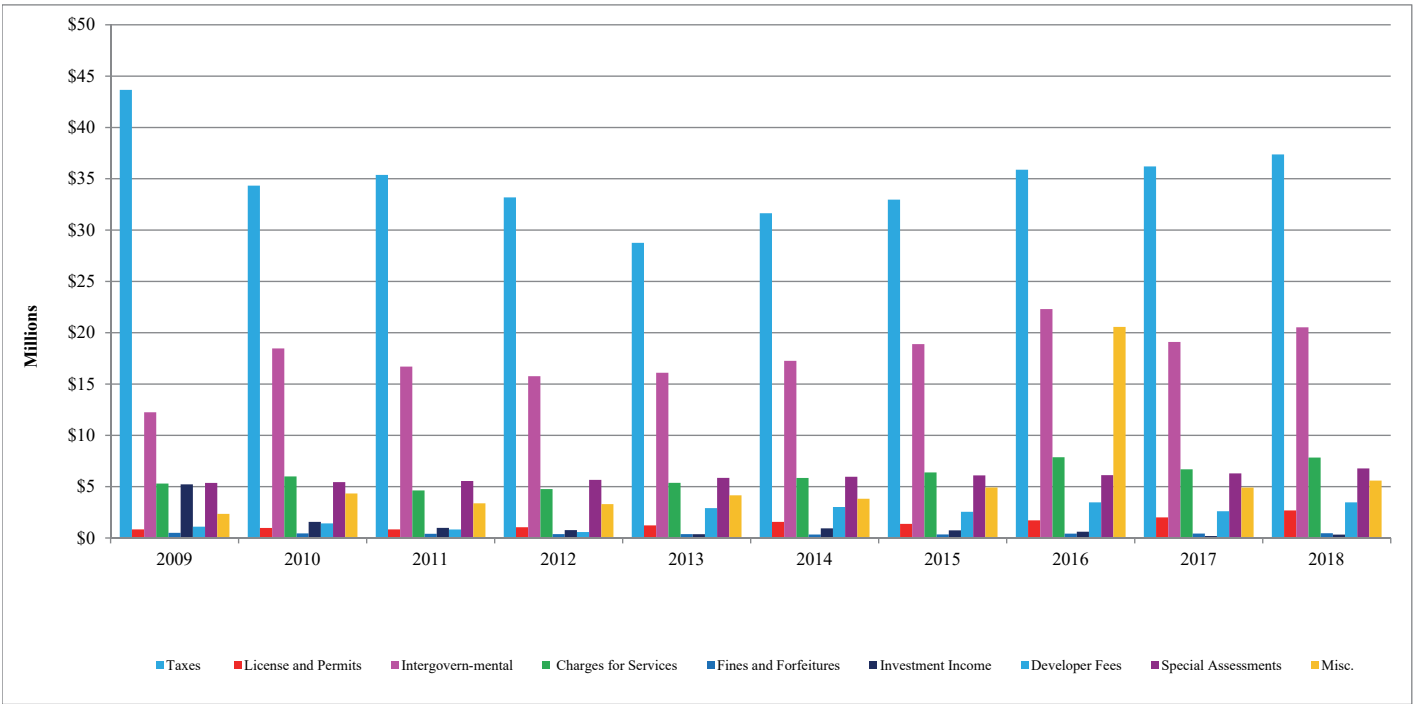
* The Redevelopment Agency was dissolved as of January 31, 2012.



**CITY OF SAN RAMON
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes	License and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Investment Income	Developer Fees	Special Assessments	Misc.	Total
2009	\$43,657,423	\$836,242	\$12,248,364	\$5,303,292	\$500,815	\$5,229,847	\$1,099,258	\$5,367,469	\$2,353,447	\$76,596,157
2010	34,329,295	973,817	18,470,532	6,000,557	443,864	1,569,096	1,419,413	5,447,926	4,338,019	72,992,519
2011	35,379,385	833,665	16,697,696	4,633,575	405,786	979,570	826,865	5,554,986	3,381,455	68,692,983
2012	33,191,038	1,043,217	15,759,165	4,766,958	373,238	765,755	578,995	5,666,933	3,300,832	65,446,131
2013	28,752,577	1,224,339	16,097,509	5,375,093	377,084	364,864	2,916,545	5,861,999	4,160,335	65,130,345
2014	31,639,628	1,568,690	17,262,900	5,848,351	332,225	934,395	3,024,213	5,970,067	3,823,506	70,403,975
2015	32,968,914	1,371,771	18,892,429	6,390,025	342,759	738,365	2,552,619	6,099,794	4,924,543	74,281,219
2016	35,880,275	1,712,228	22,302,225	7,872,024	424,930	605,112	3,472,736	6,120,389	20,567,310	98,957,229
2017	36,202,806	2,005,548	19,101,812	6,694,011	429,625	187,521	2,611,460	6,295,969	4,917,946	78,446,698
2018	37,372,331	2,687,739	20,527,587	7,836,829	458,940	328,008	3,475,588	6,775,530	5,593,780	85,056,332

Source: City of San Ramon Finance Department

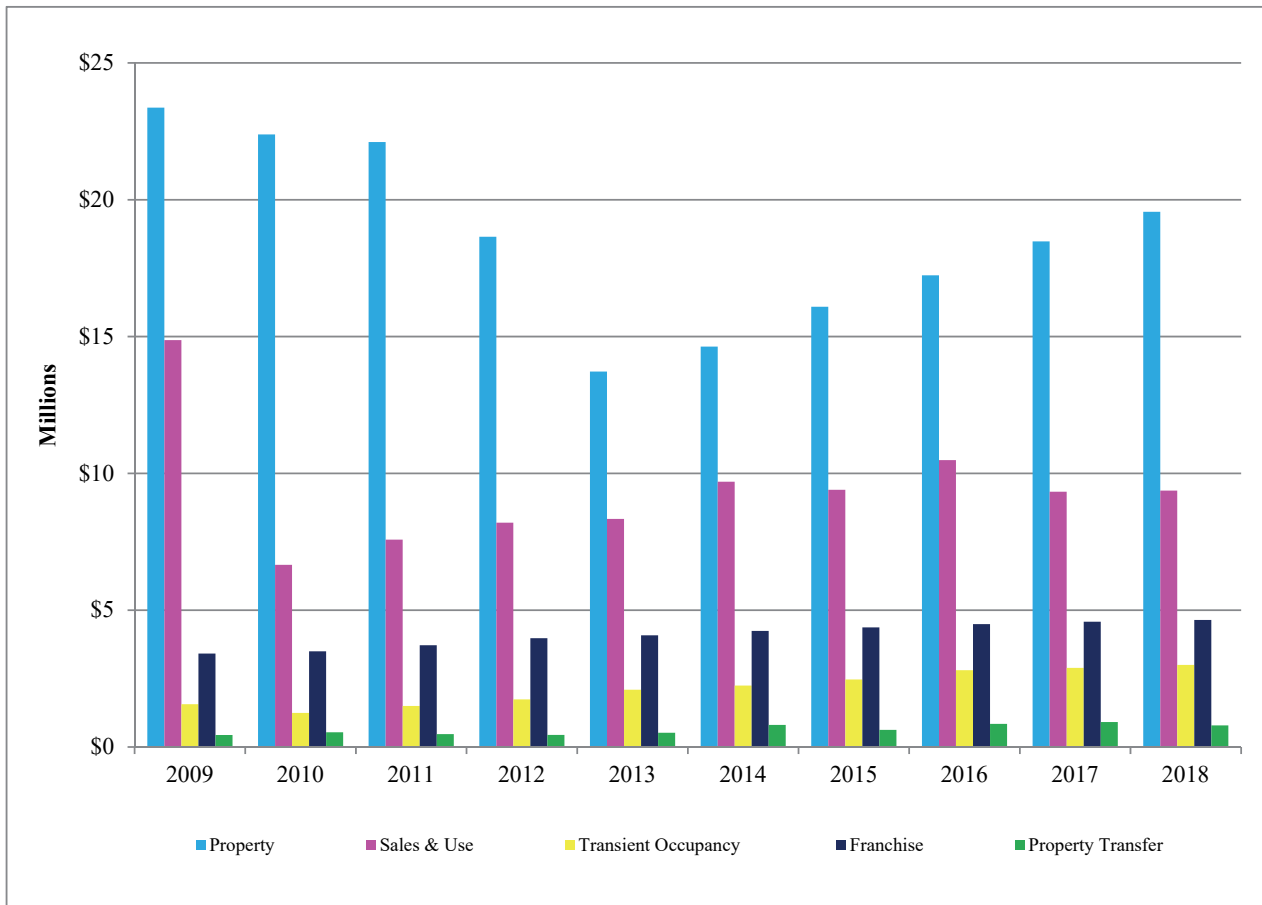


**CITY OF SAN RAMON
TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Property	Sales & Use	Transient Occupancy	Franchise	Property Transfer	Total Revenues
2009	\$23,364,635	\$14,870,719	\$1,566,201	\$3,416,994	\$438,874	\$43,657,423
2010	22,388,243	6,657,222	1,247,315	3,498,870	537,645	34,329,295
2011	22,108,729	7,580,028	1,500,897	3,719,999	469,732	35,379,385
2012	18,647,314	8,198,736	1,741,065	3,978,051	439,705	33,004,871
2013	13,720,279	8,336,061	2,095,975	4,081,825	518,437	28,752,577
2014	14,631,753	9,696,496	2,246,186	4,244,126	810,014	31,628,575
2015	16,091,598	9,398,739	2,470,971	4,371,778	624,548	32,957,634
2016	17,240,799	10,484,639	2,807,649	4,491,196	845,912	35,870,195
2017	18,478,700	9,328,801	2,894,303	4,579,568	915,674	36,197,046
2018	19,559,287	9,371,941	3,002,708	4,645,223	793,167	37,372,326

Change						
2009-2018	-16.3%	-37.0%	91.7%	35.9%	80.7%	-14.4%

Source: City of San Ramon Finance Department

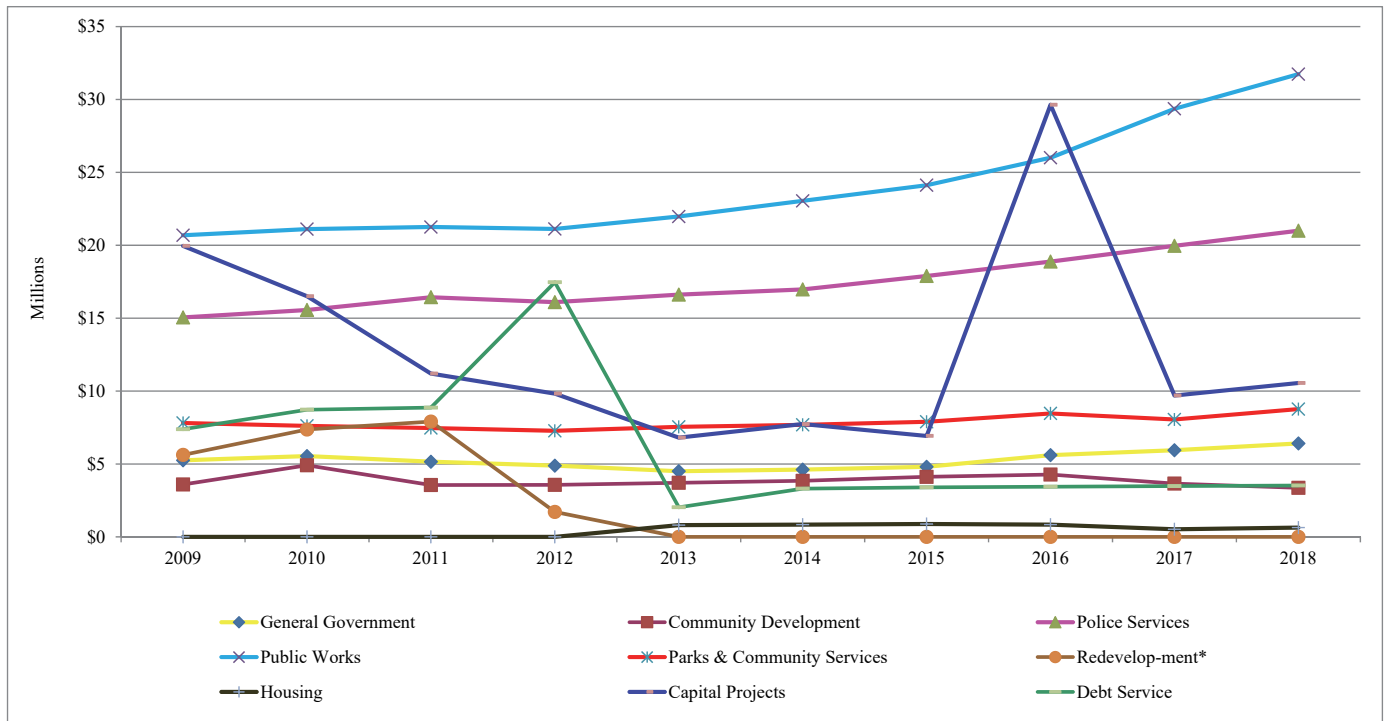


**CITY OF SAN RAMON
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	General Government	Community Development	Police Services	Public Works	Parks & Community Services	Redevelopment*	Housing	Capital Projects	Debt Service	Total
2009	\$5,249,193	\$3,592,975	\$15,051,354	\$20,685,827	\$7,813,864	\$5,624,588	-	\$19,955,868	\$7,381,467	\$85,355,136
2010	5,541,732	4,911,940	15,561,712	21,106,497	7,615,877	7,365,258	-	16,507,061	8,722,374	87,332,451
2011	5,155,152	3,555,625	16,437,146	21,253,741	7,466,692	7,907,665	-	11,201,291	8,862,861	81,840,173
2012	4,885,233	3,564,395	16,097,776	21,119,448	7,275,890	1,710,930	-	9,822,433	17,465,069	81,941,174
2013	4,502,961	3,708,223	16,616,900	21,973,011	7,546,558	-	\$808,780	6,808,268	2,028,144	63,992,845
2014	4,615,709	3,842,827	16,971,479	23,047,793	7,687,618	-	837,817	7,739,149	3,310,229	68,052,621
2015	4,807,260	4,117,393	17,890,922	24,119,320	7,894,989	-	884,366	6,923,944	3,398,030	70,036,224
2016	5,608,238	4,274,496	18,883,227	26,008,729	8,464,188	-	837,827	29,635,480	3,441,753	97,153,938
2017	5,943,627	3,655,500	19,959,904	29,365,159	8,052,418	-	523,133	9,695,432	3,483,441	80,678,614
2018	6,409,864	3,364,528	20,999,778	31,736,113	8,765,042	-	636,572	10,554,185	3,524,027	85,990,109

Source: City of San Ramon Finance Department.

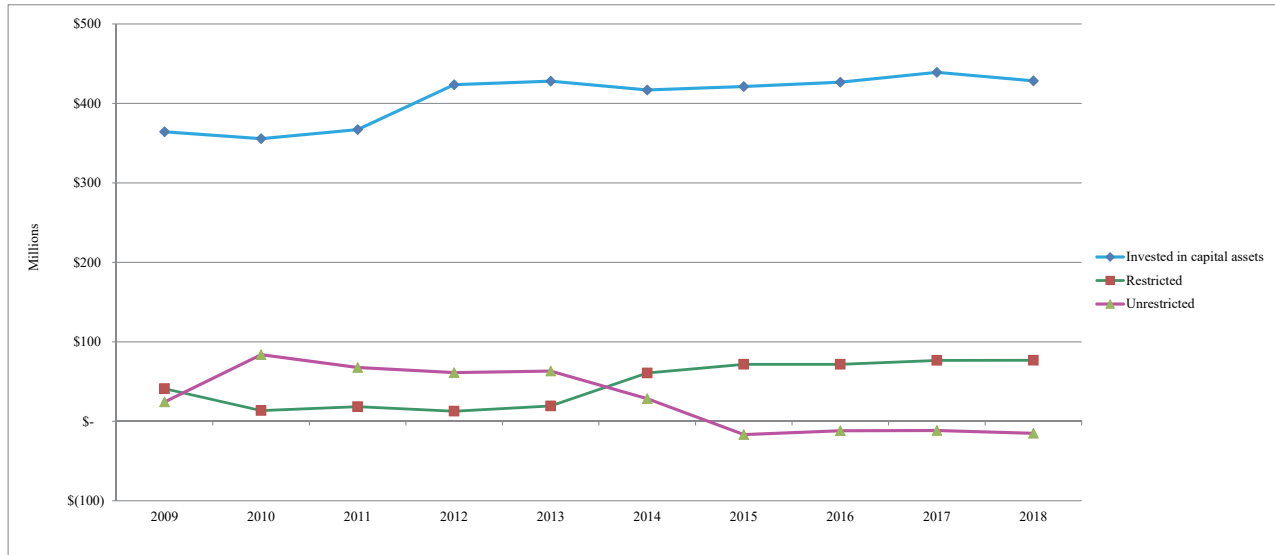
* The Redevelopment Agency was dissolved as of January 31, 2012.



CITY OF SAN RAMON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Governmental activities:	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Invested in capital assets	\$ 364,411,397	\$ 355,683,194	\$ 367,121,799	\$ 423,613,403	\$ 428,051,285	\$ 416,958,256	\$ 421,282,671	\$ 426,734,431	\$ 439,179,307	\$ 428,455,890
Restricted	41,080,968	13,478,801	18,380,495	12,683,835	19,267,459	60,785,008	71,705,018	71,688,071	76,664,534	76,793,600
Unrestricted	24,379,499	83,849,092	67,727,852	61,270,974	63,218,964	28,477,681	(16,685,507)	(11,892,459)	(11,565,936)	(15,099,077)
Total	\$429,871,864	\$453,011,087	\$453,230,146	\$497,568,212	\$510,537,708	\$506,220,945	\$476,302,182	\$486,530,043	\$504,277,905	\$490,150,413

The City adjusted certain beginning balances during fiscal year 2014-2015 and 2017-2018 to reflect the implementation of GASB Statements 68 and 75. Financial data shown for the preceding year were not adjusted for the presentation.



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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	5,788,545	4,752,394	6,348,129	4,705,554	6,706,998	5,448,270	4,958,010	5,447,838	5,511,125	7,586,147
Community development	3,668,601	5,046,559	3,667,864	3,629,772	3,778,893	4,231,229	4,087,620	4,312,666	3,811,113	3,744,306
Redevelopment activities *	5,606,182	7,409,543	8,001,831	1,739,062	-	-	-	-	-	-
Housing	-	-	-	-	808,780	839,689	884,366	857,894	532,789	1,255,134
Police services	15,060,970	15,752,533	16,322,304	15,891,547	16,501,843	18,280,088	17,098,714	16,951,992	18,497,953	21,366,871
Public works	39,132,983	44,650,311	43,994,027	46,502,699	21,900,956	40,595,096	33,230,480	53,235,400	57,528,031	60,581,885
Parks and community service	8,745,298	7,756,449	8,429,240	8,257,793	8,534,078	9,534,445	8,690,941	9,376,348	9,235,946	10,596,399
Interest on long-term debt	4,818,092	6,323,261	5,595,791	3,430,515	1,602,570	1,828,930	1,549,984	1,480,226	1,421,758	1,349,824
Total governmental activities expenses	<u>82,820,671</u>	<u>91,691,050</u>	<u>92,359,186</u>	<u>84,156,942</u>	<u>59,834,118</u>	<u>80,757,747</u>	<u>70,500,115</u>	<u>91,662,364</u>	<u>96,538,715</u>	<u>106,480,566</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	249,447	261,797	286,768	275,495	261,005	326,112	314,733	312,675	316,360	337,446
Community development	1,528,803	1,565,754	1,322,217	1,773,623	2,158,622	2,626,304	2,125,370	2,595,640	3,069,601	4,446,488
Redevelopment activities	1,347,142	3,525	200,640	10,931	-	-	-	-	-	-
Housing	-	-	-	-	50,841	73,290	408,999	714,307	6,156	-
Police services	713,969	668,991	556,565	550,414	550,736	437,106	477,577	634,611	476,105	486,757
Public services	539,834	846,281	2,242,878	2,285,564	1,270,628	1,197,819	2,470,824	3,574,777	2,335,628	2,421,581
Park and community service	4,392,972	4,455,520	4,018,569	3,990,406	4,594,052	4,687,494	4,581,702	5,143,497	5,010,269	5,422,408
Operating grants and contributions	18,686,921	25,564,895	22,290,276	22,027,560	26,430,414	20,344,930	8,375,452	33,628,638	35,947,470	33,704,789
Capital grants and contributions	63,437,561	41,818,078	24,096,911	12,769,956	-	7,792,579	20,661,559	18,300,560	30,233,200	3,770,000
Total governmental activities program revenues	<u>90,896,649</u>	<u>75,184,841</u>	<u>55,014,824</u>	<u>43,683,949</u>	<u>35,316,298</u>	<u>37,485,634</u>	<u>39,416,216</u>	<u>64,904,705</u>	<u>77,394,789</u>	<u>50,589,469</u>
Net revenues (expenses):	8,075,978	(16,506,209)	(37,344,362)	(40,472,993)	(24,517,820)	(43,272,113)	(31,083,899)	(26,757,659)	(19,143,926)	(55,891,097)
Changes in Net Position:										
Governmental activities:										
Taxes:										
Property tax, levied for general purpose	14,525,239	13,930,189	14,038,722	13,945,600	13,720,279	14,631,753	16,091,598	17,240,799	18,478,700	19,559,287
Property tax, Redevelopment Agency tax increment	8,839,396	8,458,054	8,070,007	4,701,714	-	-	-	-	-	-
Sales tax	14,870,719	8,969,804	7,580,028	8,198,736	8,336,061	9,941,039	9,142,892	10,484,639	9,328,801	9,371,941
Transient occupancy tax	1,566,201	1,247,315	1,500,897	1,741,065	2,095,975	2,246,186	2,470,971	2,807,649	2,894,303	3,002,708
Franchise tax	3,416,994	3,498,870	3,719,999	3,978,051	4,081,825	4,244,126	4,371,778	4,491,196	4,579,568	4,645,223
Property transfer tax	438,874	537,645	469,732	439,705	518,437	810,014	624,548	845,912	915,674	793,167
Intergovernmental, unrestricted	296,468	615,652	795,738	68,725	38,128	44,552	249,649	100,286	47,706	66,084
Investment income	4,366,204	1,571,949	979,570	765,755	364,864	6,731,074	738,368	605,093	175,776	327,941
Special Items	-	-	-	-	-	-	-	-	-	2,041,845
Other general revenues	2,435,411	815,954	408,728	658,223	658,478	306,606	919,352	436,250	471,260	470,512
Total governmental activities	<u>50,755,506</u>	<u>39,645,432</u>	<u>37,563,421</u>	<u>34,497,574</u>	<u>29,814,047</u>	<u>38,955,350</u>	<u>34,609,156</u>	<u>37,011,824</u>	<u>36,891,788</u>	<u>40,278,708</u>
Extraordinary Gain - Successor Agency Trust for Assets of Former Redevelopment Agency				50,313,485						
Changes in net position	<u>58,831,484</u>	<u>23,139,223</u>	<u>219,059</u>	<u>44,338,066</u>	<u>5,296,227</u>	<u>(4,316,763)</u>	<u>3,525,257</u>	<u>10,254,165</u>	<u>17,747,862</u>	<u>(15,612,389)</u>

Special item: Assets transferred from Successor Agency (Note 7)

* The Redevelopment Agency was dissolved as of January 31, 2012.

CITY OF SAN RAMON
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30,									
	2009	2010	2011 *	2012 *	2013 *	2014 *	2015 *	2016 *	2017 *	2018 *
General fund:										
Nonspendable	-	-	\$55,522	\$679,909	\$264,258	\$319,520	\$4,959,508	\$6,255,670	\$510,137	\$207,923
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	7,256,264	8,258,329	11,487,816	11,421,981	5,975,668	6,890,959	9,399,666	7,241,994
Reserved	220,964	173,074	-	-	-	-	-	-	-	-
Unreserved	<u>37,039,609</u>	<u>7,632,904</u>	-	-	-	-	-	-	-	-
Total general fund	<u>37,260,573</u>	<u>7,805,978</u>	<u>7,311,786</u>	<u>8,938,238</u>	<u>11,752,074</u>	<u>11,741,501</u>	<u>10,935,176</u>	<u>13,146,629</u>	<u>9,909,803</u>	<u>7,449,917</u>
All other governmental funds:										
Nonspendable	-	-	3,788,639	9,842	3,503,907	10,400	26,481	102,722	9,444,363	39,785
Restricted	-	-	72,834,287	51,687,896	54,852,806	59,984,958	70,645,724	70,466,220	66,210,405	75,726,288
Committed	-	-	-	330,681	543,059	784,725	1,032,813	1,119,129	1,010,791	1,027,527
Unassigned	-	-	(3,338,073)	-	-	-	-	-	(1,025)	-
Reserved :										
Encumbrances	-	2,644,177	-	-	-	-	-	-	-	-
Advances to other funds	-	2,888,859	-	-	-	-	-	-	-	-
Housing set-aside	298,497	662,851	-	-	-	-	-	-	-	-
Housing-capital projects	4,915,912	-	-	-	-	-	-	-	-	-
Land held for resale	1,750,000	3,091,868	-	-	-	-	-	-	-	-
Debt Service	34,936,559	16,941,528	-	-	-	-	-	-	-	-
Prepaid and deposits	-	9,713	-	-	-	-	-	-	-	-
Special revenue funds	201,466	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	15,213,218	23,143,275	-	-	-	-	-	-	-	-
Debt Service	-	17,526,136	-	-	-	-	-	-	-	-
Capital projects funds	<u>16,004,090</u>	<u>19,051,477</u>	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$73,319,742</u>	<u>\$85,959,884</u>	<u>\$73,284,853</u>	<u>\$52,028,419</u>	<u>\$58,899,772</u>	<u>\$60,780,083</u>	<u>\$71,705,018</u>	<u>\$71,688,071</u>	<u>\$76,664,534</u>	<u>\$76,793,600</u>

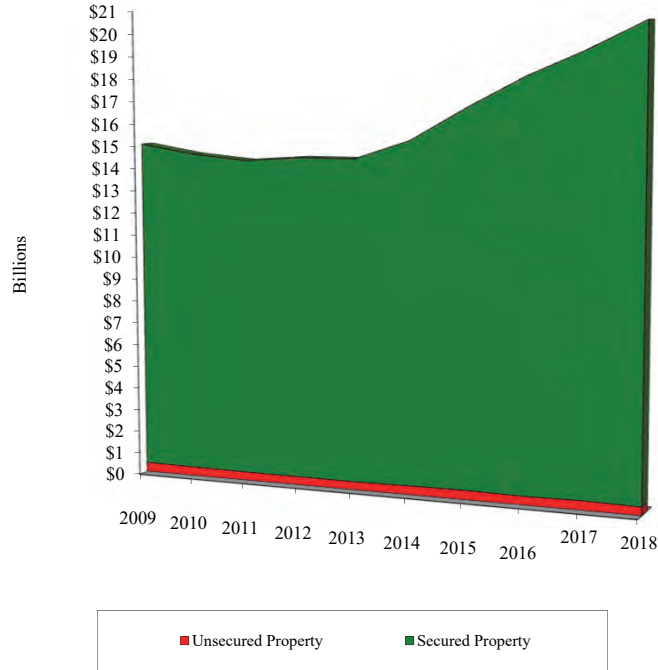
* GASB statement No. 54 was implemented in FY 10/11, which required all fund balances to be classified as Non-Spendable, Restricted, Committed, or Unassigned.

CITY OF SAN RAMON
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$43,657,423	\$34,329,295	\$35,379,385	\$33,191,038	\$28,752,577	\$31,639,628	\$32,968,914	\$35,880,275	\$36,202,806	\$37,372,331
Licenses and permits	836,242	973,817	833,665	1,043,217	1,224,339	1,568,690	1,371,771	1,712,228	2,005,548	2,687,739
Intergovernmental	12,248,364	18,470,532	16,697,696	15,759,165	16,097,509	17,262,900	18,892,429	22,302,225	19,101,812	20,527,587
Developer fees	1,099,258	1,419,413	826,865	578,995	2,916,545	3,024,213	2,552,619	3,472,736	2,611,460	3,475,588
Charges for services	5,303,292	6,000,557	4,633,575	4,766,958	5,375,093	5,848,351	6,390,025	7,872,024	6,694,011	7,836,829
Fines and forfeitures	500,815	443,864	405,786	373,238	377,084	332,225	342,759	424,930	429,625	458,940
Investment income	5,229,847	1,569,096	979,570	765,755	364,864	934,395	738,365	605,112	187,521	328,008
Special assessments	5,367,469	5,447,926	5,554,986	5,666,933	5,861,999	5,970,067	6,099,794	6,120,389	6,295,969	6,775,530
Miscellaneous	2,353,447	4,338,019	3,381,455	3,300,832	4,160,335	3,823,506	4,924,543	20,567,310	4,917,946	5,593,780
Total revenues	76,596,157	72,992,519	68,692,983	65,446,131	65,130,345	70,403,975	74,281,219	98,957,229	78,446,698	85,056,332
Expenditures										
Current:										
General government	5,249,193	5,541,732	5,155,152	4,885,233	4,502,961	4,615,709	4,807,260	5,608,238	5,943,627	6,409,864
Community development	3,592,975	4,911,940	3,555,625	3,564,395	3,708,223	3,842,827	4,117,393	4,274,496	3,655,500	3,364,528
Housing	-	-	-	-	808,780	837,817	884,366	837,827	523,133	636,572
Police Services	15,051,354	15,561,712	16,437,146	16,097,776	16,616,900	16,973,606	17,890,922	18,883,227	19,959,904	20,999,778
Public works	20,685,827	21,106,497	21,253,741	21,119,448	21,973,011	23,047,793	24,119,320	26,008,729	29,365,159	31,736,113
Parks & community services	7,813,864	7,615,877	7,466,692	7,275,890	7,546,558	7,687,618	7,894,989	8,464,188	8,052,418	8,765,042
Redevelopment	5,624,588	7,365,258	7,907,665	1,710,930	-	-	-	-	-	-
Capital Outlay	19,955,868	16,507,061	11,201,291	9,822,433	6,808,268	7,739,149	6,923,944	29,635,480	9,695,432	10,554,185
Debt service:										
Principal	2,560,000	2,980,000	3,195,000	13,670,000	415,221	1,673,678	1,820,102	1,934,176	2,033,848	2,144,142
Interest and fees	4,821,467	5,742,374	5,667,861	3,795,069	1,612,923	1,634,424	1,577,928	1,507,577	1,449,593	1,379,885
Total expenditures	85,355,136	87,332,451	81,840,173	81,941,174	63,992,845	68,052,621	70,036,224	97,153,938	80,678,614	85,990,109
Excess (deficiency) of revenues over (under) expenditures	(8,758,979)	(14,339,932)	(13,147,190)	(16,495,043)	1,137,500	2,351,354	4,244,995	1,803,291	(2,231,916)	(933,777)
Other financing sources (uses):										
Proceeds (Loss) from sale of property	-	-	-	-	-	-	-	-	5,606,679	(636,459)
Transfers in	51,574,276	73,873,057	28,874,981	59,233,924	14,515,778	12,858,271	16,518,219	23,429,979	19,035,672	19,230,868
Transfers (out)	(53,723,776)	(76,997,578)	(28,897,014)	(58,710,132)	(14,569,446)	(13,339,887)	(16,425,766)	(23,038,763)	(20,670,798)	(19,991,452)
Issuance of bonds	-	17,380,247	-	14,896,857	-	-	-	-	-	-
Payment to bond escrow agent	-	(17,000,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,149,500)	(2,474,521)	(22,033)	15,420,649	(53,668)	(481,616)	92,453	391,216	3,971,553	(1,397,043)
Extraordinary loss				(18,555,588)						
Net change in fund balances	(\$10,908,479)	(\$16,814,453)	(\$13,169,223)	(\$19,629,982)	\$1,083,832	\$1,869,738	\$4,337,448	\$2,194,507	\$1,739,637	(\$2,330,820)
Debt service as a percentage of noncapital expenditures	11%	11%	11%	22%	3%	5%	6%	3%	4%	3%

**CITY OF SAN RAMON
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



<u>Fiscal Year Ended June 30</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2009	\$14,657,651,750	\$414,927,856	\$15,072,579,606	0.07710
2010	14,281,273,168	396,128,906	14,677,402,074	0.07720
2011	14,089,635,186	373,466,330	14,463,101,516	0.07720
2012	14,279,958,445	372,954,042	14,652,912,487	0.07740
2013	14,303,318,095	363,496,493	14,666,814,588	0.07600
2014	15,118,312,790	404,102,025	15,522,414,815	0.07590
2015	16,562,364,762	421,617,203	16,983,981,965	0.07470
2016	17,932,287,779	386,528,547	18,318,816,326	0.06940
2017	18,989,294,954	422,241,773	19,411,536,727	0.05810
2018	20,287,909,650	375,570,677	20,663,480,327	0.07610

Source: Contra Costa County Auditor-Controller's Office - Certificate of Assessed Valuation

The Taxable Assessed Value is the Total Gross Assessed Valuation less Homeowner's Exemptions

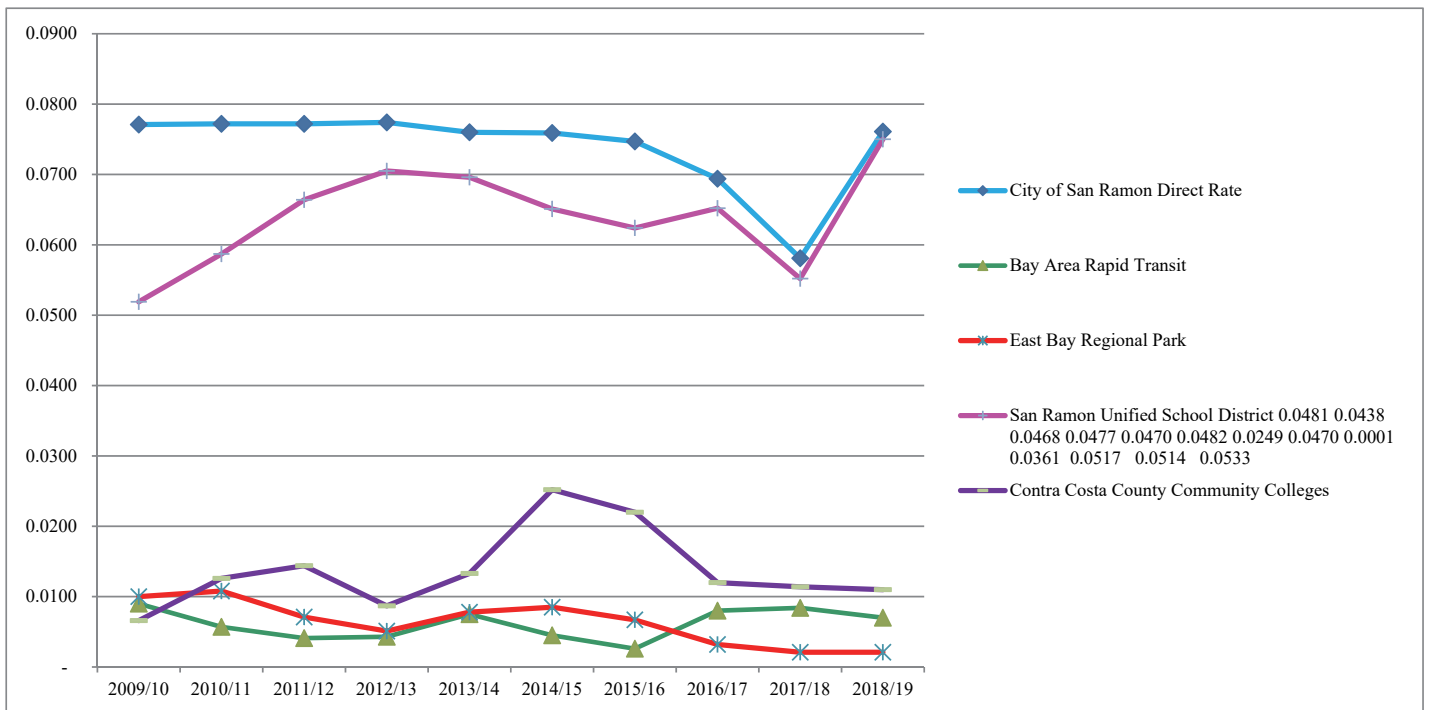
Note:

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

**CITY OF SAN RAMON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Overlapping Rates					Subtotal Overlapping Rate	TOTAL DIRECT RATE
	City of San Ramon Direct Rate	Bay Area Rapid Transit	East Bay Regional Park	San Ramon Unified School District	Contra Costa County Community Colleges		
2009/10	0.0771	0.0090	0.0100	0.0519	0.0066	0.0090	0.1546
2010/11	0.0772	0.0057	0.0108	0.0587	0.0126	0.0878	0.1650
2011/12	0.0772	0.0041	0.0071	0.0664	0.0144	0.0920	0.1692
2012/13	0.0774	0.0043	0.0051	0.0705	0.0087	0.0886	0.1660
2013/14	0.0760	0.0075	0.0078	0.0696	0.0133	0.0982	0.1742
2014/15	0.0759	0.0045	0.0085	0.0651	0.0252	0.1033	0.1792
2015/16	0.0747	0.0026	0.0067	0.0624	0.0220	0.0937	0.1684
2016/17	0.0694	0.0080	0.0032	0.0652	0.0120	0.0884	0.1578
2017/18	0.0581	0.0084	0.0021	0.0552	0.0114	0.0771	0.1352
2018/19	0.0761	0.0070	0.0021	0.0750	0.0110	0.0951	0.1712

Source: Contra Costa County Auditors Controller's Office

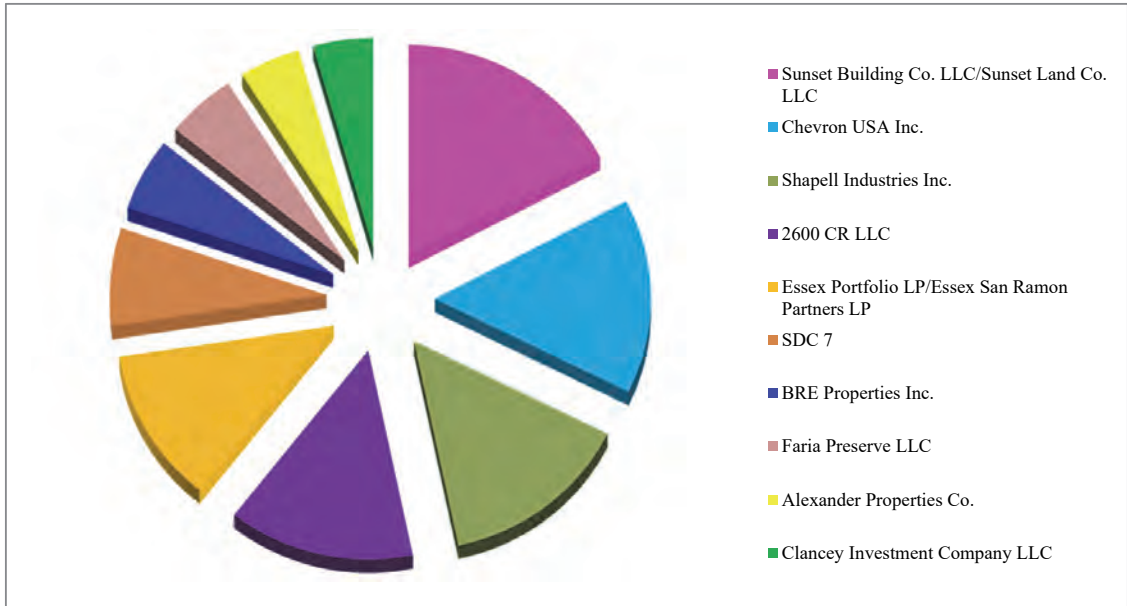


**CITY OF SAN RAMON
 PRINCIPAL SALES TAX PRODUCERS
 FOR THE YEAR ENDED JUNE 30, 2018**

FIRM	BUSINESS DESCRIPTION
AT&T MOBILITY	SPECIALTY STORES
C S ERECTORS, INC.	BUILDING MATERIALS WHOLESALE
CTI-CONTROLTECH	HEAVY INDUSTRY
CVS PHARMACY	DRUG STORES
DIABLO MOTORCARS	USED CAR SALES
DEVIL MOUNTAIN WHOLESALE NURSERY	NURSERY
EASTBAY MOTORCARS	USED CAR SALES
ELEASE RETURNS	USED CAR SALES
ENTERPRISE RENT-A-CAR	CAR RENTAL
HELLER JEWELERS	JEWELRY STORE
HOME DEPOT	BUILDING MATERIALS STORE
HOMEGOODS	HOME FURNISHINGS
LEHIGH SOUTHWEST CEMENT COMPANY	BUILDING MATERIALS WHOLESALE
MARRIOTT HOTEL	HOTEL
MORGAN'S MASONRY SUPPLY	BUILDING MATERIALS WHOLESALE
ORCHARD SUPPLY HARDWARE	HARDWARE STORE
PETCO	PET SUPPLIES
SAFEWAY STORES	SUPERMARKETS
SAFEWAY FUEL	FUEL & SERVICE STATIONS
SHELL SERVICE STATIONS	FUEL & SERVICE STATIONS
TARGET STORES	DEPARTMENT STORES
TOSHIBA AMERICA BUSINESS SOLUTIONS	OFFICE EQUIPMENT
TOTAL WINE & MORE	LIQUOR STORE
TOYOTA MOTOR DISTRIBUTORS	VEHICLE PARTS MANUFACTURING
WALMART NEIGHBORHOOD MARKET	SUPERMARKETS

Source: Hdl Companies

**CITY OF SAN RAMON
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO
 JUNE 30, 2018**

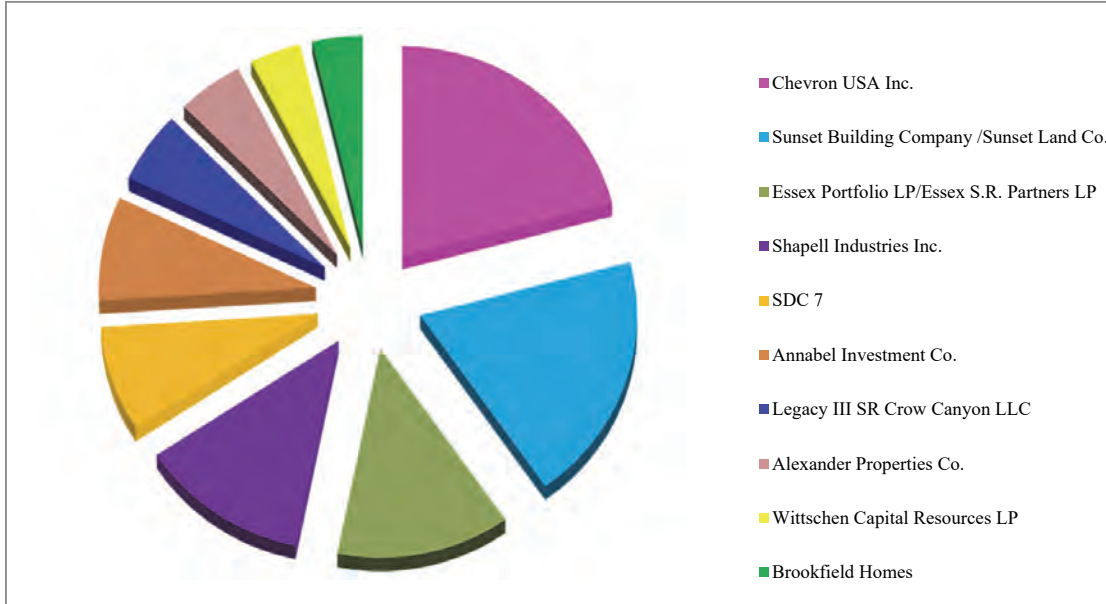


2018

Taxpayer	2018 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Sunset Building Co. LLC/Sunset Land Co. LLC	\$392,399,461	1	1.94%
Chevron USA Inc.	341,473,060	2	1.69%
Shapell Industries Inc.	325,859,605	3	1.61%
2600 CR LLC	315,939,467	4	1.56%
Essex Portfolio LP/Essex San Ramon Partners LP	272,458,599	5	1.35%
SDC 7	171,352,308	6	0.85%
BRE Properties Inc.	126,749,431	7	0.63%
Faria Preserve LLC	118,864,400	8	0.59%
Alexander Properties Co.	103,364,754	9	0.51%
Clancey Investment Company LLC	101,118,588	10	0.50%
Total	\$2,269,579,673		
2017-2018 Assessed Valuation: \$	\$20,220,095,299	**	
2008-2009 Assessed Valuation: \$	\$14,689,439,902	**	

** Local Secured Assessed Valuation
 Assessed Valuation includes Net Secured Property Tax Roll plus Homeowners Exemption

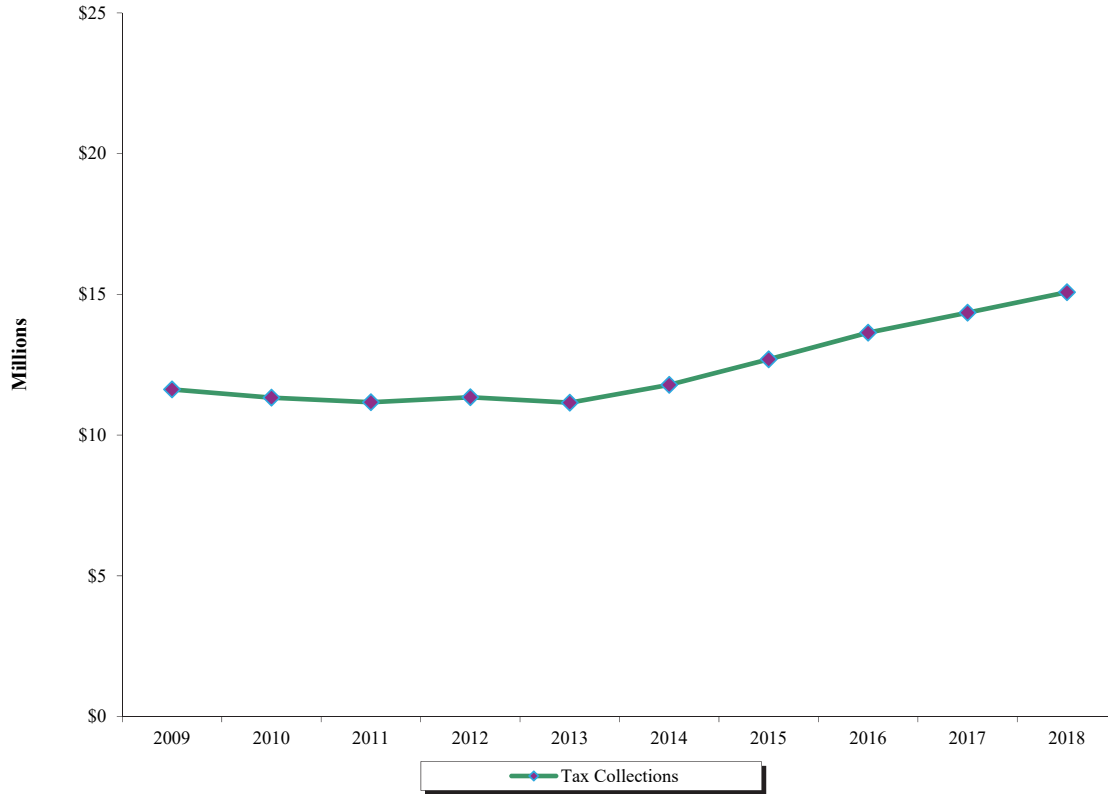
Source: California Municipal Statistics, Inc.



2009

Taxpayer	2009 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Chevron USA Inc.	\$397,130,531	1	2.63%
Sunset Building Company /Sunset Land Co.	366,889,511	2	2.43%
Essex Portfolio LP/Essex S.R. Partners LP	245,713,771	3	1.63%
Shapell Industries Inc.	239,733,540	4	1.59%
SDC 7	155,235,950	5	1.03%
Annabel Investment Co.	152,331,782	6	1.01%
Legacy III SR Crow Canyon LLC	103,640,000	7	0.69%
Alexander Properties Co.	93,125,412	8	0.62%
Wittschen Capital Resources LP	72,571,591	9	0.48%
Brookfield Homes	70,815,960	10	0.47%
	<u>\$1,897,188,048</u>		

**CITY OF SAN RAMON
PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS**

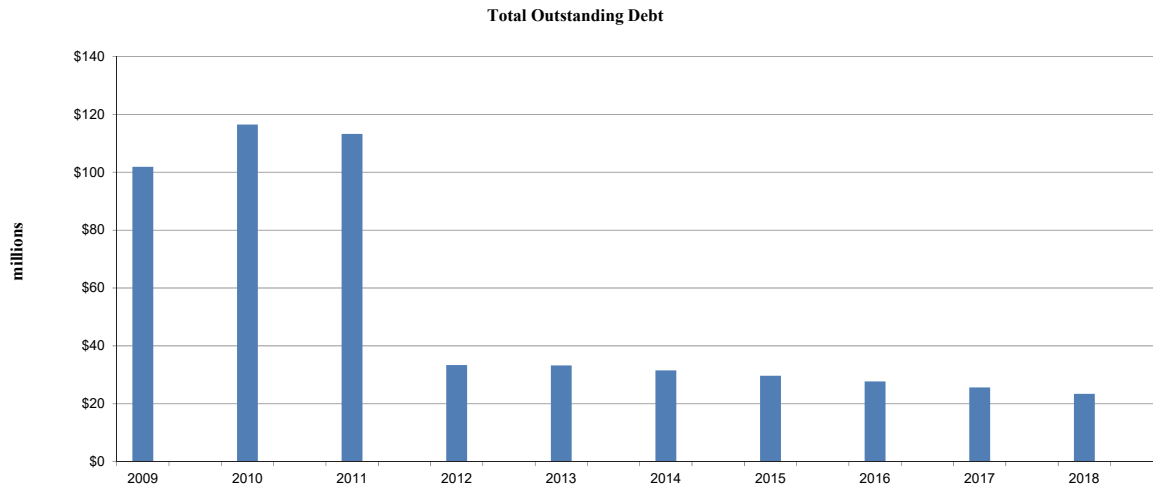


Fiscal Year Ended June 30	Total Tax* Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	\$11,624,667	\$11,624,667	100%	\$11,624,667	100%
2010	11,332,451	11,332,451	100%	11,332,451	100%
2011	11,169,305	11,169,305	100%	11,169,305	100%
2012	11,345,100	11,345,100	100%	11,345,100	100%
2013	11,152,848	11,152,848	100%	11,152,848	100%
2014	11,786,675	11,786,675	100%	11,786,675	100%
2015	12,693,581	12,693,581	100%	12,693,581	100%
2016	13,638,715	13,638,715	100%	13,638,715	100%
2017	14,350,584	14,350,584	100%	14,350,584	100%
2018	15,077,288	15,077,288	100%	15,077,288	100%

Source: Contra Costa County Auditor-Controller's Office

* Does not include Supplemental / Unitary & Operating Non-Unitary

**CITY OF SAN RAMON
RATIOS OF DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

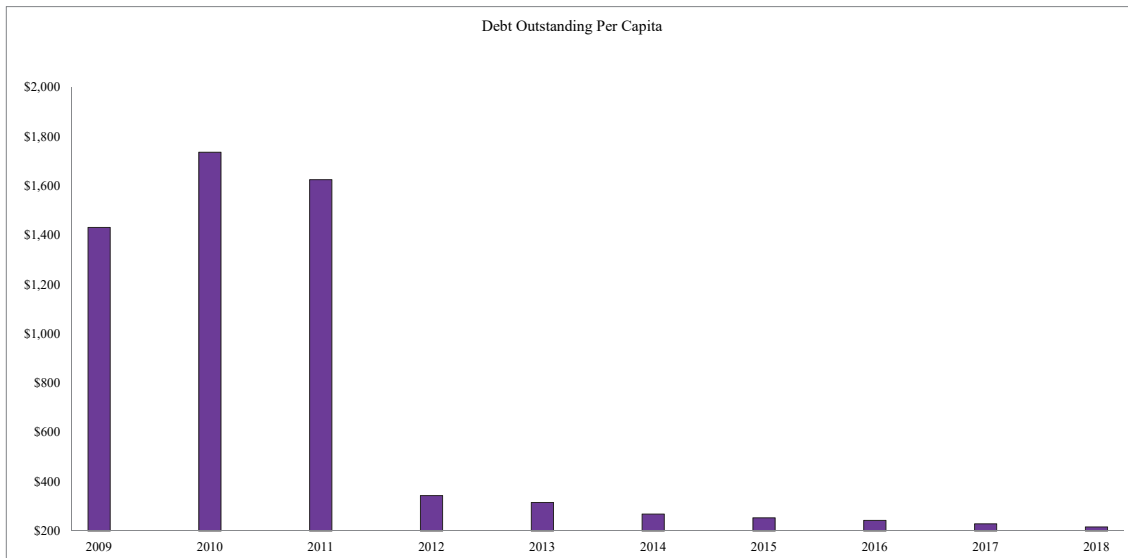


Fiscal Year Ended June 30	Certificates of Participation	Tax Allocation Bonds *	Revenue Bonds	Pension Obligation Bonds	Capital Leases	Premium on Debt	Notes Payable	Total	Percent of Assessed Value	Percent of Personal Income	Per Capita
2009	\$16,780,000	\$82,904,872	\$750,000	-	\$76,976	\$573,302	\$750,000	\$101,835,150	0.6756%	5.3140%	1,431
2010	15,765,000	81,163,539	650,000	\$17,505,000	63,170	551,969	750,000	116,448,678	0.7934%	5.9226%	1,736
2011	14,705,000	79,192,306	545,000	17,425,000	48,612	530,736	750,000	113,196,654	0.7827%	5.1727%	1,625
2012	12,785,000	-	-	17,315,000	2,720,562	579,944	-	33,400,506	0.2279%	1.5008%	344
2013	12,605,000	-	-	17,170,000	2,976,068	535,333	-	33,286,401	0.2270%	1.4620%	316
2014	11,345,000	-	-	16,990,000	2,742,390	490,722	-	31,568,112	0.2034%	1.3674%	269
2015	9,970,000	-	-	16,775,000	2,512,288	446,111	-	29,703,399	0.1749%	1.2664%	253
2016	8,535,000	-	-	16,520,000	2,294,415	401,500	-	27,750,915	0.1515%	1.1861%	243
2017	7,065,000	-	-	16,215,000	2,035,567	356,889	-	25,672,456	0.1323%	1.0674%	229
2018	5,550,000	-	-	15,860,000	1,761,425	312,278	-	23,483,703	0.1136%	0.9516%	216

Source: City of San Ramon Finance Department

* The balance of Tax Allocation Bonds was transferred to the Successor Agency as of February 1, 2012

CITY OF SAN RAMON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS



Fiscal Year Ended June 30	Governmental Activities								Total Primary Government	Percentage of Assessed Value of Property (2)	Percentage of Personal Income (3)	Debt Per Capita (4)
	Certificates of Participation (1)	Tax Allocation Bonds (1)	Revenue Bonds* (1)	Pension Obligation Bonds (1)	Capital lease (1)	Premium on Debt (1)	Notes Payable (1)	Total Governmental Activities				
2009	\$16,780,000	\$82,904,872	\$750,000	-	\$76,976	\$573,302	\$750,000	\$101,835,150	\$101,835,150	0.68%	5.31%	1,431
2010	15,765,000	81,183,539	650,000	\$17,505,000	63,170	551,969	750,000	116,468,678	116,468,678	0.79%	5.92%	1,736
2011	14,705,000	79,192,306	545,000	17,425,000	48,612	530,736	750,000	113,196,654	113,196,654	0.78%	5.17%	1,625
2012	12,785,000	-	-	17,315,000	2,720,562	579,944	-	33,400,506	33,400,506	0.23%	1.50%	344
2013	12,605,000	-	-	17,170,000	2,976,068	535,333	-	33,286,401	33,286,401	0.23%	1.46%	316
2014	11,345,000	-	-	16,990,000	2,742,390	490,722	-	31,568,112	31,568,112	0.20%	1.37%	269
2015	9,970,000	-	-	16,775,000	2,512,288	446,111	-	29,703,399	29,703,399	0.17%	1.27%	253
2016	8,535,000	-	-	16,520,000	2,294,415	401,500	-	27,750,915	27,750,915	0.15%	1.19%	243
2017	7,065,000	-	-	16,215,000	2,035,567	356,889	-	25,672,456	25,672,456	0.13%	1.07%	229
2018	5,550,000	-	-	15,860,000	1,761,425	312,278	-	23,483,703	23,483,703	0.11%	0.95%	216

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City is expressing total outstanding debt as a percentage of taxable assessed property values as provided by the Contra Costa County Auditor-Controller's Office.

The balance of Tax Allocation Bonds, Tax Revenue Bonds and HELP Loan was transferred to the Successor Agency as of February 1, 2012

Source: (1) City of San Ramon Finance Department

(2) Contra Costa County Auditor-Controller's Office

(3) Bureau of Economic Analysis/State of California Franchise Tax Board

(4) Debt per Capita is calculated from total debt outstanding less reserves available

* The City issued revenue bonds in fiscal years 2005 and 2006

** The City entered into lease agreements on July 10, 2006 and August 1, 2012

*** In April 2007 the Redevelopment Agency received a Housing Enabled by Local Partnership ("HELP") loan from the California Housing Finance Agency ("CalHFA").

CITY OF SAN RAMON
 Direct and Overlapping Debt
 June 30, 2018

2017-18 Assessed Valuation: \$ 20,589,586,232 *

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
	<u>6/30/2018</u>		<u>Debt 6/30/18</u>
Bay Area Rapid Transit District	\$ 837,820,000	2.960%	\$ 24,799,472
Chabot-Las Positas Community College District	693,595,000	0.499	3,461,039
Contra Costa Community College District	403,600,000	10.407	42,002,652
San Ramon Valley Unified School District	405,161,485	43.834	177,598,485
East Bay Regional Park District	187,800,000	4.628	8,691,384
ABAG Windemere Ranch Community Facilities District No. 2004-2	33,298,310	100	33,298,310
ABAG Windemere Ranch 1915 Act Bonds	72,355,536	100	72,355,536
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			362,206,878
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 291,777,297	10.672%	31,138,473
Contra Costa County Pension Obligations	155,880,000	10.672	16,635,514
Contra Costa Community College District Certificates of Participation	330,000	10.407	34,343
San Ramon Valley Unified School District General Fund Obligations	27,468,667	43.834	12,040,615
City of San Ramon Certificates of Participation, net of premiums	5,862,278	100	5,862,278
City of San Ramon Pension Obligation	15,860,000	100	15,860,000
City of San Ramon Capital Leases	1,761,427	100	1,761,427
San Ramon Valley Fire Protection District Certificates of Participation	17,656,359	44.065	7,780,275
GROSS DIRECT OVERLAPPING GENERAL FUND DEBT			91,112,925
Less: Contra Costa County Obligations supported from revenue funds			12,271,673
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 78,841,252
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 59,351,570	100%	\$ 59,351,570
TOTAL DIRECT DEBT			\$ 23,483,705
TOTAL GROSS OVERLAPPING DEBT			\$ 489,187,668
TOTAL NET OVERLAPPING DEBT			\$ 476,915,995
GROSS COMBINED TOTAL DEBT			\$ 512,671,373 (2)
NET COMBINED TOTAL DEBT			\$ 500,399,700

- 1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- 2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.76%
Total Direct Debt (\$23,171,427).....	0.11%
Gross Combined Total Debt.....	2.49%
Net Combined Total Debt.....	2.43%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,152,841,504):

Total Overlapping Tax Incremental Debt.....	5.15%
---	-------

* Assessed Valuation includes Net Secured and Unsecured Property Tax Roll plus Homeowners Exemption

Source: California Municipal Statistics, Inc.

CITY OF SAN RAMON
 Legal Debt Margin Information
 Last Ten Fiscal Years

	June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 774,880,512	\$ 727,932,627	\$ 686,955,612	\$ 636,899,324	\$ 570,541,001	\$ 537,177,396	\$ 536,457,471	\$ 556,371,294	\$ 550,402,578	\$ 565,221,735
Total net debt applicable to limit	<u>5,862,278</u>	<u>7,421,889</u>	<u>8,936,500</u>	<u>10,416,111</u>	<u>11,549,555</u>	<u>12,828,151</u>	<u>13,026,747</u>	<u>14,705,000</u>	<u>15,765,000</u>	<u>16,780,000</u>
Legal debt margin	<u>\$ 769,018,234</u>	<u>\$ 720,510,738</u>	<u>\$ 678,019,112</u>	<u>\$ 626,483,213</u>	<u>\$ 558,991,446</u>	<u>\$ 524,349,245</u>	<u>\$ 523,430,724</u>	<u>\$ 541,666,294</u>	<u>\$ 534,637,578</u>	<u>\$ 548,441,735</u>
Total net debt applicable to the limit as a percentage of debt limit	0.8%	1.0%	1.3%	1.6%	2.0%	2.4%	2.4%	2.6%	2.9%	3.0%

Legal Debt Margin Calculation for Fiscal Year 2018:

Converted assessed value (at 25% of Taxable Value)	\$ 5,165,870,082
Debt limit (15% of assessed value)	<u>\$ 774,880,512</u>
Debt applicable to limit:	
Certificates of Participation	<u>5,862,278</u>
Legal debt margin	<u><u>\$ 769,018,234</u></u>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: City Finance Department

CITY OF SAN RAMON
Pledged-Revenue Coverage
Last Ten Fiscal Years

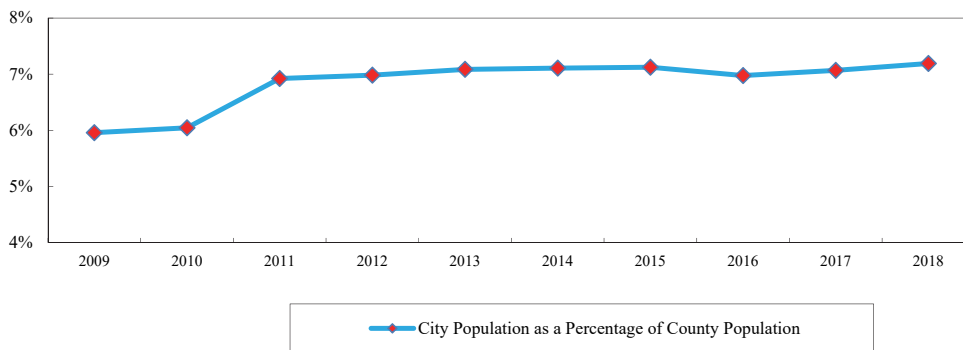
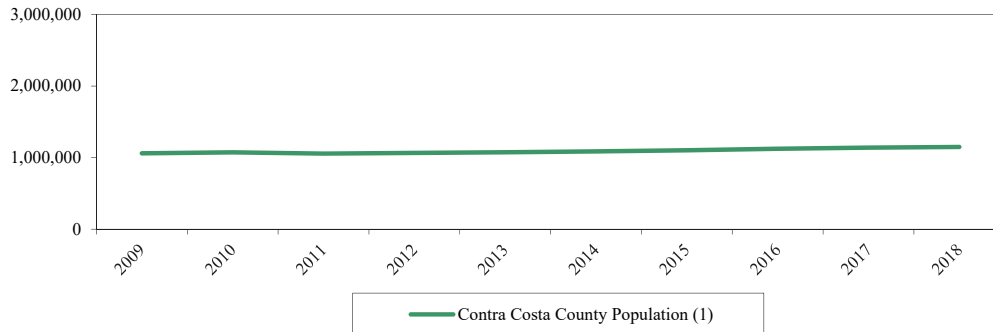
Fiscal Year Ended June 30	Tax Allocation Bonds			Coverage
	Tax Increment	Debt Service		
		Principal *	Interest *	
2009	\$8,839,396	\$1,506,233	\$3,722,083	1.69
2010	8,458,054	1,741,233	3,655,270	1.57
2011	8,070,007	1,971,233	3,576,160	1.45
2012	4,701,714	-	1,741,259	2.70
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

* The balance of the Tax Allocation Bonds was transferred to the Successor Agency as of February 1, 2012. Principal and interest payments are recorded through January 31, 2012.

Source: City Finance Department

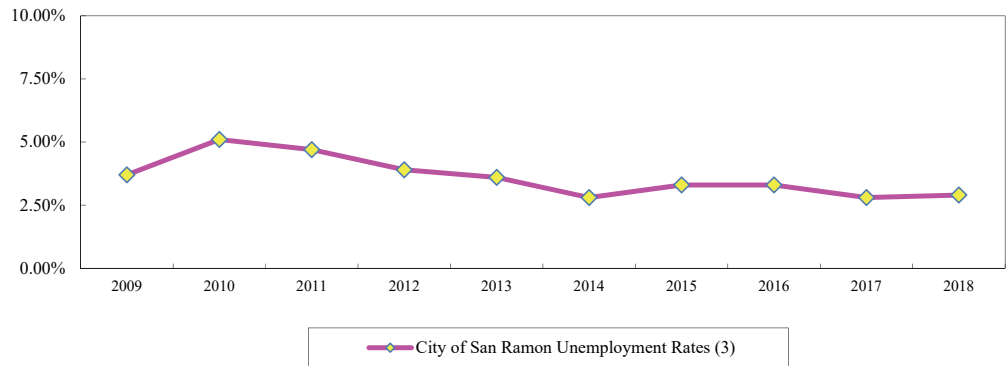
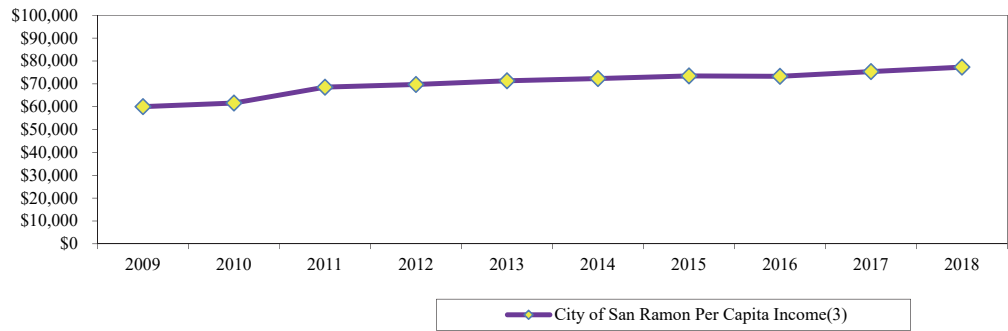
**CITY OF SAN RAMON
 DEMOGRAPHICS STATISTICS
 LAST TEN FISCAL YEARS**



Fiscal Year	City of San Ramon Population (1)	Percent Change In Population	City of San Ramon Personal Income (2) **	City of San Ramon Per Capita Income(3)
2009	63,176	6.6%	\$1,916,343	60,027
2010	64,860	2.6%	1,966,168	61,588
2011	73,109	11.3%	2,188,345	68,547
2012	74,378	1.7%	2,225,547	69,713
2013	76,154	2.3%	2,276,734	71,316
2014	77,270	1.4%	2,308,609	72,315
2015	78,561	1.6%	2,345,546	73,472
2016	78,363	-0.3%	2,339,682	73,291
2017	80,550	2.8%	2,405,193	75,343
2018	82,643	2.6%	2,467,728	77,302

Note: City of San Ramon personal income for years 2009-2018 and City of San Ramon per capita income for 2009-2018 are estimates based upon the percent of change in population as provided by the Department of Commerce, Bureau of Economic Analysis.

Source: (1) State of California Department of Finance
 (2) Bureau of Economic Analysis/ State of California Franchise Tax Board
 (3) State of California Employment Development Department
 * Information was not available for FY2009 through FY2018
 ** In Thousands



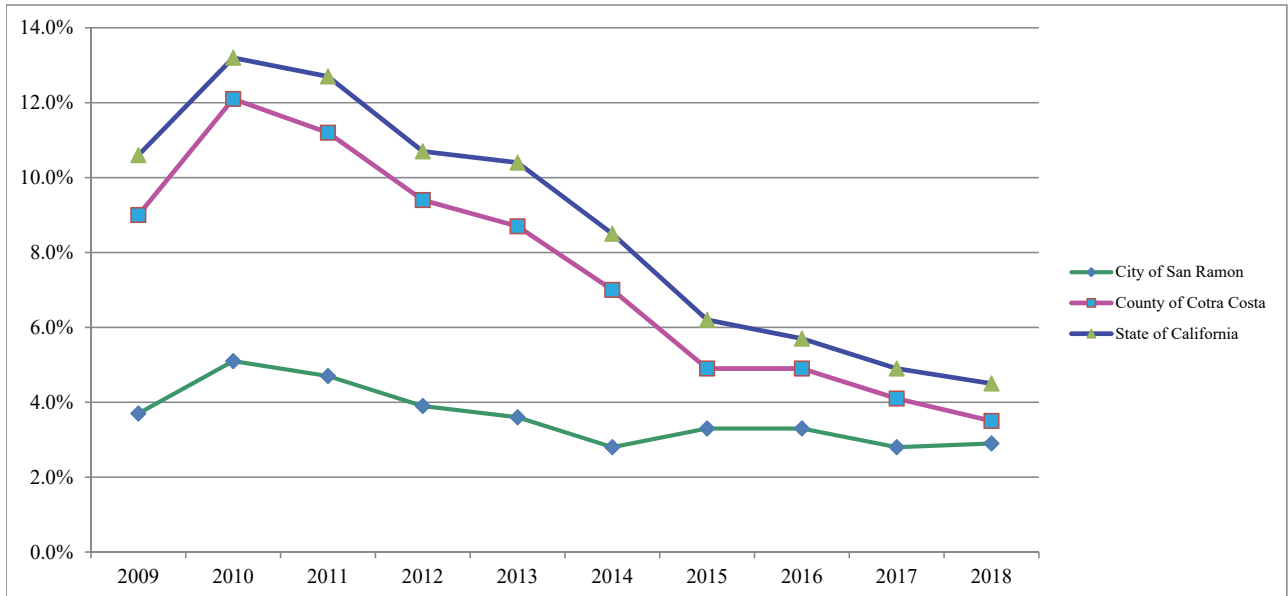
City of San Ramon Unemployment Rates (3)	Contra Costa County Population (1)	Contra Costa County Per Capita Income (2)
3.70%	1,060,435	*
5.10%	1,073,055	*
4.70%	1,056,064	*
3.90%	1,065,117	*
3.60%	1,074,702	*
2.80%	1,087,008	*
3.30%	1,102,871	*
3.30%	1,123,429	*
2.80%	1,139,513	*
2.90%	1,149,363	*

**CITY OF SAN RAMON
ANNUAL AVERAGE EMPLOYMENT
AND UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS**

Annual Average Unemployment Rates

Fiscal Year	City of San Ramon Labor Force	City of San Ramon	County of Cotra Costa	State of California
2009	28,800	3.7%	9.0%	10.6%
2010	27,700	5.1%	12.1%	13.2%
2011	26,300	4.7%	11.2%	12.7%
2012	28,500	3.9%	9.4%	10.7%
2013	29,200	3.6%	8.7%	10.4%
2014	29,500	2.8%	7.0%	8.5%
2015	39,700	3.3%	4.9%	6.2%
2016	39,800	3.3%	4.9%	5.7%
2017	39,900	2.8%	4.1%	4.9%
2018	40,100	2.9%	3.5%	4.5%

Source: State of California Employment Development Department

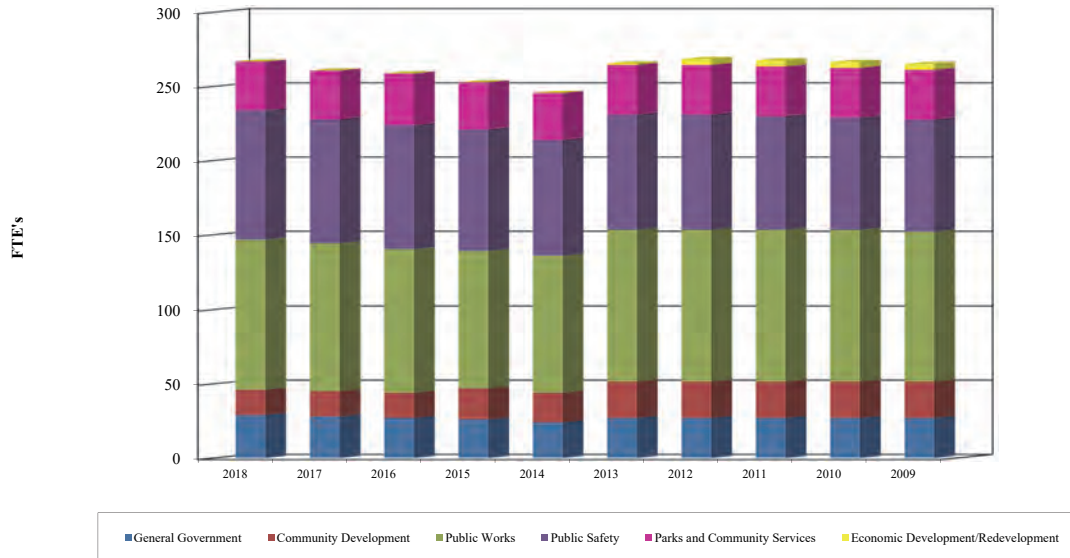


**CITY OF SAN RAMON
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO**

Employer	2018		Employer	2009	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Chevron USA Inc	3,200	7.98%	Chevron USA Inc	6,000	20.83%
Bank of the West	1,600	3.99%	AT&T	2,251	7.82%
GE Digital LLC	1,221	3.04%	San Ramon Regional Medical Center	800	2.78%
Robert Half International Inc.	1,120	2.79%	Accenture	750	2.60%
Accenture LLP	750	1.87%	Primed Management Consulting	382	1.33%
San Ramon Regional Medical Center	702	1.75%	Marriott Hotel	368	1.28%
PG&E	635	1.58%	IBM Corporation	358	1.24%
AT&T	590	1.47%	United Parcel Service	356	1.24%
Old Republic Home Protection	477	1.19%	Safeway	324	1.13%
Primed Management Consulting	453	1.13%	Target	312	1.08%

Source: City of San Ramon Finance Department

**CITY OF SAN RAMON
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**



Function/Program	Full-Time Equivalent Employees as of June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Management Services	9.00	9.00	9.00	9.00	7.00	9.00	9.00	8.00	7.00	7.00
Administrative Services	20.00	19.00	18.00	17.00	17.00	18.00	18.00	19.00	20.00	20.00
Total General Government	29.00	28.00	27.00	26.00	24.00	27.00	27.00	27.00	27.00	27.00
Community Development										
Planning Services	8.00	8.00	8.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00
Transportation Services*	-	-	-	4.00	2.00	4.00	4.00	4.00	4.00	4.00
Building Services	9.00	9.00	9.00	9.00	11.00	12.50	12.50	12.50	12.50	12.50
Total Community Development	17.00	17.00	17.00	21.00	20.00	24.50	24.50	24.50	24.50	24.50
Public Works										
Engineering Services	20.50	20.50	20.50	21.00	21.00	24.00	24.00	24.00	24.00	24.00
Transportation Services*	4.00	4.00	4.00	-	-	-	-	-	-	-
Public Services	76.25	75.25	72.25	71.50	71.30	77.90	77.90	77.90	77.90	76.60
Total Public Works	100.75	99.75	96.75	92.50	92.30	101.90	101.90	101.90	101.90	100.60
Public Safety										
Sworn	69.00	66.00	65.00	62.00	58.00	58.00	58.00	57.00	56.00	56.00
Non-Sworn	18.00	17.00	18.00	19.50	19.50	19.50	19.50	19.50	19.50	19.50
Total Public Safety	87.00	83.00	83.00	81.50	77.50	77.50	77.50	76.50	75.50	75.50
Parks and Community Services	33.00	33.00	35.00	31.80	31.80	33.60	33.60	33.60	33.60	33.60
Economic Development/Redevelopment	-	-	-	-	-	1.00	4.00	4.00	4.00	4.00
Total	266.75	260.75	258.75	252.80	245.60	265.50	268.50	267.50	266.50	265.20

Source: Various City Departments

* In 2016 the Transportation Services Division was transferred from Community Development to Public Works Department.

**CITY OF SAN RAMON
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Function/Program</u>										
Police										
Arrests	538	548	532	602	508	476	458	513	532	596
Non-Moving Courtesy										
Warning/parking violations	726	1,022	1,841	1,694	1,644	2,755	2,072	4,022	4,387	5,141
Moving traffic violations	5,328	4,880	6,178	6,246	8,602	6,471	7,315	7,437	7,428	7,413
Patrol Activity	64,284	65,829	78,741	72,556	59,272	70,695	73,743	70,596	72,070	56,519
Public Services										
Street resurfacing (miles)	*	*	*	*	*	*	*	*	*	*
Potholes repaired	110	114	107	125	134	82	137	197	172	161
Light/Signal repairs	138	162	121	149	169	157	131	204	191	186
USA inspections	14,141	3,240	3,178	4,284	1,764	1,736	1,560	512	506	528
Street light Repairs	128	134	158	201	295	392	403	842	811	752
Sign repair	183	173	114	242	279	116	173	298	302	283
Sidewalk repairs	145	187	135	244	141	127	120	148	139	128
Graffiti abatement	58	54	64	67	59	47	76	162	151	137
Trim notices	80	140	95	12	128	336	362	204	196	201
Vehicle lube, oil, filter	187	147	141	15	132	141	250	258	261	252
Irrigation repairs	24,988	10,111	17,390	15,387	18,843	13,988	9,061	6,532	6,395	5,712
Encroachment Permits	338	358	413	418	400	402	312	311	378	553
Parks and Community Services										
Swimming pool admissions	60,757	70,028	77,967	82,236	79,404	74,651	74,907	70,166	78,879	65,126
Leisure class participants	25,135	18,945	23,090	23,450	24,737	27,363	25,370	27,696	29,023	36,261
Library books circulated ****	586,189	470,861	464,054	688,104	717,239	752,968	790,029	822,611	799,846	768,623
Youth sport league participants **	6,982	6,555	6,140	5,836	5,008	6,085	7,556	4,606	7,310	5,935
Adult sport league teams ***	188	151	159	173	196	468	250	641	514	279
Senior center drop in participants	28,524	28,348	42,892	42,387	31,831	43,928	45,956	44,829	41,000	36,600
Community center facility rentals	789	774	659	513	465	412	439	334	462	580
Planning										
Building permits	8,410	2,781	2,812	9,368	10,033	6,969	6,051	5,069	5,049	5,159
Home Occupation permits	159	193	191	180	201	234	221	277	305	310
Building applications processed	2,847	3,328	3,529	2,721	2,854	2,534	2,256	1,961	1,808	2,015
Planning applications processed	330	354	337	360	197	416	403	422	450	464
Code enforcement cases	520	685	495	598	580	606	671	554	790	889
Inspections	19,306	18,137	16,531	15,828	17,424	13,604	14,226	11,380	12,010	12,794

Source: Various City Departments

* Information was not available.

** Does not include sports camps as in previous years; sports camps are included in leisure class participants.

*** Only includes PCS Adult sport league teams as of 2011-12

**** 2016 and 2017 Library books circulated decrease is due to the closure of the Main Library for renovation.

**CITY OF SAN RAMON
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Function</u>										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	81	66	64	62	60	61	59	62	59	56
Public Services										
Streets (miles)	241	241	235	234	222	253	249	248	241	236
Catch basins	4535	4433	4319	4288	4276	4200	4200	3670	3500	3380
Streetlights	6995	6971	6857	6833	6818	6900	6900	6839	6599	6412
Traffic signals	100	99	99	97	98	97	97	95	95	95
Landscape acreage	452	448	446	444	434	432	426	424	412	371
Parks	63	63	63	62	62	57	57	57	57	54
Parks acreage	374	372	372	365	365	427	427	371	366	359
Open space/trails acreage	220	220	220	220	210	210	210	210	206	190
Fountains	8	8	8	8	7	7	7	7	7	7
Pools	5	5	5	5	5	5	5	5	5	5
Vehicles	74	75	69	71	71	71	71	71	71	71
Parks and Community Services										
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	26	26	26	26	24	24	24	24	24	24
Community centers	4	4	4	4	3	3	3	3	3	3
Community gymnasiums	2	2	2	2	2	2	2	2	2	2
Libraries	2	2	2	2	2	2	2	2	2	2
Historic properties	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Theaters	2	2	2	2	2	2	2	2	2	2

Source: Various City Departments

CITY OF SAN RAMON
MISCELLANEOUS STATISTICAL DATA
June 30, 2018

Date of Incorporation	July 1, 1983
Form of Government	Council/City Manager (Charter City)
Population (1/1/2018 State Finance Department)	82,643
Number of Authorized City Employees	266.75
Median Age	38.3
Median Household Income	134,188
Registered Voters	39,203
Area in Square Miles	18.56

Miles of Streets:

Lane miles	498
Center miles	239

Fire Protection:

San Ramon Valley Fire Protection District	
Number of Stations	4

Police Protection:

Number of Stations	2
Number of Sworn Personnel	69

Education:

Elementary Schools	11
Middle Schools	4
High Schools	2
Community College	1

Libraries: (Contracted with Contra Costa County)

Number of Libraries	2
Number of Volumes	136,586

Recreation and Culture:

Park Sites	63
Park Acreage	374

Community Facilities:

San Ramon Community Center	2
Senior Center	1
Dougherty Valley Station Community Center	1
Performing Arts Theater	1
Hospital	1

Building Permits Issued: 8,410

Source: Various City of San Ramon Department Records



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