

CITY OF LOS ALTOS
Note to Required Supplementary Information
For the Year Ended June 30, 2018

SCHEDULE OF CONTRIBUTIONS

Retiree Healthcare OPEB Plan - Agent Multiple Employer

Last 10 fiscal years*

(Amounts in 000's)

Fiscal Year Ended June 30,	<u>2018</u>
Actuarially determined contribution	\$304
Contributions in relation to the actuarially determined contribution	<u>143</u>
Contribution deficiency (excess)	<u>\$161</u>
Covered-employee payroll	<u>\$14,000</u>
Contributions as a percentage of covered-employee payroll	1.02%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTION

Retiree Healthcare OPEB Plan - Agent Multiple Employer

Methods and Assumptions for Actuarially Determined Contribution

Valuation Date	January 01, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	16.3-year average fixed period for 2017/18
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75%
General Inflation	2.75%
Medical Trend	<ul style="list-style-type: none"> • Non-Medicare - 7.5% for 2018, decreasing to an ultimate rate of 4.0% in 2076 and later years • Medicare - 6.5% for 2018, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality, Retirement, Disability, Termination	<ul style="list-style-type: none"> • CalPERS 1997-2011 Experience Study
Mortality Improvement	• Mortality Improvement Scale MP-16
PEMHCA Minimum Increases	• 4.25% for 2019+
Healthcare participation	• 60%

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Property tax	\$20,132,700	\$20,132,700	\$21,428,500	\$1,295,800
Sales tax	3,268,700	3,268,700	3,243,554	(25,146)
Utility users	2,630,000	2,630,000	2,732,325	102,325
Other tax	3,859,500	3,859,500	4,534,886	675,386
Licenses, permits and fees	8,310,700	3,623,800	4,055,230	431,430
Grants and donations			82,101	82,101
Charges for services		4,501,500	4,510,749	9,249
Fines and forfeitures		178,500	158,664	(19,836)
Interest and rentals	219,000	219,000	303,377	84,377
Other		137,300	128,007	(9,293)
Total revenues	<u>38,420,600</u>	<u>38,551,000</u>	<u>41,177,393</u>	<u>2,626,393</u>
Expenditures:				
General government:				
Public Safety	17,386,509	17,477,998	17,465,711	12,287
Public Works	8,093,793	5,859,101	5,783,953	75,148
Recreation	2,275,468	2,424,972	2,509,280	(84,308)
Community development	2,863,734	5,571,190	5,180,470	390,720
Admin/community services	5,633,718	5,605,723	4,772,919	832,804
Total expenditures	<u>36,253,222</u>	<u>36,938,984</u>	<u>35,712,333</u>	<u>1,226,651</u>
Excess of revenues over expenditures	<u>2,167,378</u>	<u>1,612,016</u>	<u>5,465,060</u>	<u>3,853,044</u>
Other financing sources (uses):				
Transfers in			158,506	158,506
Transfers out			(4,045,591)	(4,045,591)
Total other financing sources (uses)			<u>(3,887,085)</u>	<u>(3,887,085)</u>
Net change in fund balance	<u>\$2,167,378</u>	<u>\$1,612,016</u>	1,577,975	<u>(\$34,041)</u>
Fund balance at beginning of year			<u>43,815,808</u>	
Fund balance at end of year			<u>\$45,393,783</u>	

CITY OF LOS ALTOS
 IN-LIEU PARK LAND SPECIAL REVENUE 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 Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest and rentals			\$24,576	\$24,576
Intergovernmental		\$255,000	1,092,500	837,500
Total Revenues		<u>255,000</u>	<u>1,117,076</u>	<u>862,076</u>
Expenditures:				
Capital improvement		841,400	251,257	590,143
EXCESS OF REVENUES OVER EXPENDITURES		<u>(586,400)</u>	<u>865,819</u>	<u>271,933</u>
NET CHANGE IN FUND BALANCE		<u><u>(\$586,400)</u></u>	<u>865,819</u>	<u><u>\$271,933</u></u>
Beginning fund balance			<u>4,387,709</u>	
Ending fund balance			<u><u>\$5,253,528</u></u>	

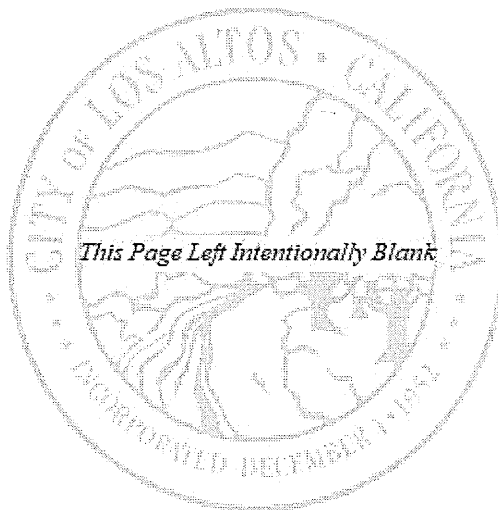
CITY OF LOS ALTOS
Note to Required Supplementary Information
For the Year Ended June 30, 2018

1. *Budget and Budgetary Accounting*

The City adopts a budget annually for General Fund, Special Revenue Funds, (except for the Storm Drain Deposits Fund), and Equipment Replacement Capital Projects Fund that is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager is authorized to transfer budgeted amount between departments and line items within any fund to achieve a balanced budget; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year-end unless otherwise authorized by the City Council and the City Manager, except for capital improvement projects and open purchase order commitments for which appropriations endure until the project or obligation is completed.

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

OTHER SUPPLEMENTARY INFORMATION



GENERAL FUND

General Fund – Accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in other funds. The General Fund supports essential City services such as police, fire, street and parks maintenance, maintenance services, community development and recreation activities. The General Fund also includes the Real Property Proceeds Funds, which accounts for the proceeds from the sale of real property and the Community Facilities Renewal Fund, which accounts for the revenues and expenditures related to the community facilities renewal efforts.

CITY OF LOS ALTOS
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2018

	General	Community Facilities Renewal Fund	Real Property Proceeds	Total General Fund
ASSETS				
Cash and investments	\$20,357,551	\$12,912,373	\$10,506,259	\$43,776,183
Receivables, net of allowance for uncollectibles:				
Accounts	1,306,049			1,306,049
Interest	64,812		14,102	78,914
Prepays	19,974			19,974
Notes receivable	1,895,206			1,895,206
Inventory	6,786			6,786
Due to other funds	569,445			569,445
	<u>\$24,219,823</u>	<u>\$12,912,373</u>	<u>\$10,520,361</u>	<u>\$47,652,557</u>
LIABILITIES				
Accounts payable	\$1,273,521			\$1,273,521
Accrued liabilities	807,629			807,629
Other payable	177,624			177,624
	<u>2,258,774</u>			<u>2,258,774</u>
FUND BALANCES				
Fund balance:				
Nonspendable	1,931,952			1,931,952
Assigned	15,154,199	\$12,912,373	\$10,520,361	38,586,933
Unassigned	4,874,898			4,874,898
	<u>21,961,049</u>	<u>12,912,373</u>	<u>10,520,361</u>	<u>45,393,783</u>
Total Fund Balances	<u>\$24,219,823</u>	<u>\$12,912,373</u>	<u>\$10,520,361</u>	<u>\$47,652,557</u>
Total Liabilities and Fund Balances	<u>\$24,219,823</u>	<u>\$12,912,373</u>	<u>\$10,520,361</u>	<u>\$47,652,557</u>

CITY OF LOS ALTOS
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General	Community Facilities Renewa Fund	Real Property Proceeds	Intra-Fund Transaction Elimination	Total General Fund
REVENUES					
Property tax	\$21,428,500				\$21,428,500
Sales tax	3,243,554				3,243,554
Utility users	2,732,325				2,732,325
Other tax	4,534,886				4,534,886
Licenses, permits and fees	4,055,230				4,055,230
Grants and donations	82,101				82,101
Charges for services	4,510,749				4,510,749
Fines and forfeitures	158,664				158,664
Interest and rentals	253,216		\$50,161		303,377
Other	128,007				128,007
Total Revenues	41,127,232		50,161		41,177,393
EXPENDITURES					
General government					
Public safety	17,465,711				17,465,711
Public works	5,783,953				5,783,953
Recreation	2,509,280				2,509,280
Community development	5,180,470				5,180,470
Admin / community development	4,772,919				4,772,919
Total Expenditures	35,712,333				35,712,333
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,414,899		50,161		5,465,060
OTHER FINANCING SOURCES (USES)					
Transfers in	158,506				158,506
Transfers (out)	(3,606,972)	(\$438,619)			(4,045,591)
Total Other Financing Sources (Uses)	(3,448,466)	(438,619)			(3,887,085)
NET CHANGE IN FUND BALANCES	1,966,433	(438,619)	50,161		1,577,975
BEGINNING FUND BALANCES	19,994,616	13,350,992	10,470,200		43,815,808
ENDING FUND BALANCES	\$21,961,049	\$12,912,373	\$10,520,361		\$45,393,783



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**VEHICLE IMPOUND FUND**

To account for revenues collected from arrest and towing fees that are dedicated for public safety purposes.

SUPPLEMENTAL LAW ENFORCEMENT FUND

To account for revenues from the Citizen's Option for Public Safety Program in support of additional front-line law enforcement services.

GAS TAX FUNDS

To account for the revenues received from the State gas taxes under the provision of the Streets and Highways Codes. These revenues are restricted to uses related to construction and improvements, an maintenance and repair of local streets.

PROPOSITION 1B FUND

To account for the allocated bond fund amount from the State under the Proposition 1B provisions.

STORM DRAIN DEPOSITS FUND

To account for fees collected from new subdivision development. All funds are restricted to construction and improvement of the storm drain system.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

To account for grant funds received from the federal government specifically for the housing rehabilitation loan programs, the human services programs through local nonprofit agencies, and the accessibility improvements in compliance with the American with Disabilities Act.

DOWNTOWN PARKING FUND

To account for revenues received from the lease of the public parking plazas and in-lieu program fees. The revenues are dedicated for the construction and improvement of downtown parking facilities.

TRAFFIC IMPACT FEE FUND

To account for revenues received from development. The revenues are dedicated for transportation improvements within the City.

ESTATE DONATION FUND

To account for donations received that are dedicated for purposes specified by the donors.

TDA FUND

To account for State Transportation Development Act, Article 3 funds for bike route and pedestrian facilities improvements.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)**PEG FUND**

To account for fees collected by local Cable Television franchise. All funds are restricted for public education and government access programming.

VEHICLE REGISTRATION FEES FUND

To account for fees collected by the Department of Motor Vehicles from registrations in Santa Clara County. All funds are restricted to street projects.

SB 1 ROAD MAINTENANCE REHABILITATION FUND

To account for revenues received from the State Streets and Highways Codes. These revenues are restricted to address deferred maintenance on the State Highway System and the local street and road system.

TRAFFIC CONGESTION RELIEF PROGRAM FUND

To account for revenues received from the State. These revenues must be used only for maintenance or reconstruction costs on public streets or roads.

CAPITAL PROJECTS FUND**EQUIPMENT REPLACEMENT FUND**

To account for the revenues and expenditures related to the replacement of certain City equipment and vehicles.

DEBT SERVICE FUND**GENERAL DEBT SERVICE**

To account for the accumulation of revenues for periodic payment of principal and interest on Certificates of Participation and related authorized costs.