

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021 CITY OF PLEASANTON, CALIFORNIA



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City of Pleasanton

Pleasanton, California

Annual Comprehensive Financial Report

For the year ended June 30, 2021

Prepared by the Finance Department

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CITY OF PLEASANTON
PLEASANTON, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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To the Honorable Mayor, Members of the City Council
and Citizens of the City of Pleasanton:

December 13, 2021

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2021. The City of Pleasanton is required to annually publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm. Pursuant to these requirements, we hereby issue the ACFR of the City of Pleasanton, California, for the fiscal year ended June 30, 2021.

The report presents the finances of the City of Pleasanton. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Lance, Soll & Lunghard, LLP (LSL), a firm of licensed certified public accountants, has audited the City of Pleasanton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pleasanton for the fiscal year ended June 30, 2021, taken as a whole, are free of material misstatements. 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 City's overall financial management. LSL, the independent auditor, concluded based on the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2021, are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. LSL will issue the Single Audit in February of 2022.

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

Profile of the Government

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely by its geographic location, from its days as a stop on the transcontinental railroad to its modern-day position as a center of commerce at the intersection of interstate freeways 580 and 680. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well-being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and committed City government.

Pleasanton occupies a land area of 24.2 square miles and serves a residential population of 79,259. Pleasanton is a full-service general law city providing police, fire, sewer, water, street, parks, support services, economic development, community development (planning, building and inspection services), community services (recreation, sports, senior center, preschool, etc.) and library services. The City operates under the Council-Manager form of government, with four Council members elected at-large for staggered four-year terms and the Mayor elected for a two-year term. The Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and appointing department directors.

The financial statements included in this Annual Financial Report present the City (the primary government), the Housing Authority of the City of Pleasanton (Housing Authority) and the Pleasanton Joint Powers Financing Authority (PJPFA) as component units. The Housing Authority and the PJPFA are separate legal entities; however, the members of the City Council also serve as members of the boards for these entities. Therefore, financial information for the Housing Authority and the PJPFA is blended with the City's financial information.

The biennial budget serves as the foundation for the City of Pleasanton's financial planning and control. The budget process begins in January in odd numbered years with each department receiving a budget packet. The City Manager meets with each department director to discuss their budget requests and makes adjustments where necessary. Prior to July 1 (of each odd numbered year), the City Manager submits to the City Council a proposed operating budget for the coming two fiscal years. The operating budget includes proposed expenditures and the funding sources. Public hearings are conducted to obtain public input. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget review, including approved additions or changes, is presented to the City Council by the City Manager at mid-year of each fiscal year (by beginning of March) and mid-term (June of each even numbered year). Any changes as a result of these reviews are legally adopted through a Council resolution.

The Council exercises budgetary control at the fund level. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds. The budgeted funds are adopted on a basis consistent with GAAP in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to increase the budget without the approval of the City Council. However, the City Manager may authorize budgetary transfers from one account to another within the same fund.

Assessing the City's Economic Condition

The City's geographic location is a major factor affecting its economic position. The City is located at the intersection of two interstate freeways (I-580 and I-680), linking Pleasanton to Sacramento to the north, San Francisco/Oakland to the west, the Silicon Valley to the south and the San Joaquin Valley to the east. The Bay Area Rapid Transit system (BART) has two stations located in the City and provides service from Pleasanton to San Francisco/Oakland and the surrounding areas. The Altamont Commuter Express (ACE) provides commuter service between the San Joaquin Valley and Silicon Valley, stopping in Pleasanton.

Besides Pleasanton's proximity to San Francisco and Silicon Valley and its transportation access, other factors contribute to its attractiveness to businesses and their ability to attract and retain quality employees. These factors include the low crime rate, moderate climate, well-educated labor pool, excellent schools, diversified housing stock, exceptional parks and recreational facilities and the hometown feel of the historic downtown.

Pleasanton's business community consists of more than 61,626 employees working within more than 22 million square feet of commercial, office and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate that they are attracted to Pleasanton for the highly educated and skilled workforce. In addition to the diversified regional labor force, the Pleasanton area has a good base of executive, managerial, and professional people giving employers access to people with a wide range of skill levels including one of the nation's largest concentrations of scientific and engineering talent. In 2021, Pleasanton had one of the highest average household incomes in the nation (in cities with populations from 65,000 to 249,999) at approximately \$249,760.

Except for median home values, Pleasanton's economy has been affected by the COVID-19 Pandemic as follows:

- Median home price values in the fourth quarter of FY 2020/21 were \$1,640,000 which is \$402,500 or 33 percent greater than they were in fourth quarter of FY 2019/20.
- The unemployment rate was 5.1 percent, in June 2021, down from 9.3 percent in June 2020. However, in September 2021 the unemployment rate dropped to 3.9 percent.
- Office vacancies are 13.4 percent, up from 10.3 percent in FY 2019/20 and down from 18.5 percent in 2011.

Commercial Office Activity

The office market continued to feel the negative effects of the COVID-19 pandemic at the beginning of FY 2020/21 with an overall vacancy rate of 11 percent, up from the previous year's 9.6 percent, but still slightly lower than the Tri-Valley region at 11.9 percent. The office market in the Tri-Valley experienced some pressure to reduce asking rates as vacant sublease space came to the market and existing leases expired. With increased vacancy rates, rents decreased from \$3.16 for Class A from pre-pandemic to \$3.12 by the end of the year. While some tenants decided to retain their office footprint as employees continued to work from home, other companies downsized as the future of the pandemic remained unknown.

Total Inventory = 12.6 M square feet

	Q2 2020		Q2 2021					
Overall Vacancy Rate	10.3%		13.4%					
Total Vacant Inventory	1,295,736 sq. ft.		1,693,389 sq. ft.					
	Vacant Inventory (sq. ft.)		Vacancy Rate		Net Absorption (sq. ft.)		Rent Cost (per sq. ft.)	
	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Class A	844,011	1,074,152	12.4%	15.8%	(75,417)	(57,342)	\$3.16	\$3.01
Class B	317,405	420,519	11.0%	14.5%	(11,199)	8,124	\$2.62	\$2.59
Flex	134,320	195,263	4.5%	6.6%	(14,209)	65,033	\$2.49	\$2.55

Source: Colliers International

Class A Highlights:

- The initial effects of the pandemic at the beginning of the fiscal year were realized in a slowdown of office activity with only two lease transactions. Revance Therapeutics Inc., a biotech company which migrated from the I-880 corridor subleased 30,772 square feet at Pleasanton Corporate Commons and Stanford ValleyCare leased 22,411 square feet at Hacienda Lakes.
- Despite the market inactivity, 2020 closed on a positive note with 10X Genomics increasing its footprint with a planned expansion of 145,000 square feet at Pleasanton Corporate Commons. 10X Genomics' redevelopment project at the 14.6-acre former JC Penney Plaza site on Springdale Avenue will break ground in the new fiscal year. The approved project will consist of three buildings totaling 381,000 square feet and a multilevel parking garage which will be built in three phases.
- There were a few transactions in the second half of FY 2020/21: Kaiser Permanente leased 21,000 square feet at 3825 Hopyard Road and Advantage Solutions leased about 13,000 square feet at 6900 Koll Center Parkway.
- Class A available space increased by 57,324 square feet due to large blocks of space where tenants have relocated or downsized.
- The fiscal year ended with Hacienda Terrace, a three-building 300,000 square foot property, being sold for \$58 million to Spieker Keech Hacienda from Palo Alto. The project is located at 4301-4309 Hacienda Drive.
- Shaklee's 123,000 square feet headquarters located at 4747 Willow Road, which had been in and out of the market, is back on the market.

Class B Highlights:

- Class B vacancy increased by two percent at the end of 2020 to 13.7 percent with Young's Market vacating their 64,760 square foot location on Franklin Drive.

Office/Flex Highlights:

- At the end of FY 2020/21, Pleasanton saw some gains in tenant activity in the flex sector with DiaCarta Inc., a translational genomics and precision molecular diagnostics company, signing a 37,000 square foot lease of lab and R&D space at 4385 Hopyard Road.
- Fastly Inc. leased 14,000 square feet at 5142 Franklin Drive.

The Tri-Valley's office market saw little activity in 2020, with many tenants primarily working from home leaving office buildings vacant. Return-to-work plans for 2021 were slow due to local health orders.

Companies were forced to re-evaluate their footprint, resulting in the addition of more than half a million square feet added to the market. There were no office spaces under construction the first six months of 2021. While companies are expected to offer a flexible hybrid model for employees, the need to rebuild work teams should cause demand for office space to return to pre-pandemic office life. Given the amount of vacant space, any significant improvement to the market will likely not be seen until 2022.

Retail Activity

The retail industry was significantly affected by the COVID-19 pandemic and related restrictions. As Alameda County moved through the state's color-coded tier system, capacity restrictions for retail and restaurants were modified accordingly. At the beginning of 2021, the State's Stay at Home order was extended due to surging COVID cases. Indoor dining was not allowed for numerous months leaving restaurants offering take-out or outdoor dining options. Hair salons, indoor shopping centers, and movie theaters were increased to 50 percent capacity, though continued to struggle as customers were slow to return.

Most recent sales tax data shows that a strong recovery of these industries occurred immediately once the state reopened in mid-June, but there is a slow recovery to pre-pandemic numbers, which will likely not be met until later in 2022.

At some city shopping centers, there is continued interest and investment to add new tenants and complete renovations for current and future tenants.

- Grocery Outlet, Pleasanton's newest supermarket opened in early 2021 in the former New Leaf space which was vacant for an extended time at the Vintage Hills Shopping Center.
- Sri Venkateshara Grocery & Kitchen, a smaller, specialized supermarket and café opened its doors in the Hacienda Plaza.

The downtown district also experienced new openings and avoided closures with ownership changes:

- Locanda Amalfi, a long-awaited restaurant which has roots in Lafayette and Danville, opened in time for the holidays in late 2020.
- Gilman Brewing Company began with retail sales in May, then fully opened when bars were allowed to welcome customers. Similarly, Middle8 Bar on Main Street opened the same month.
- Elia Pleasanton, a Greek restaurant, replaced the Patio in early June.
- Zachary's Chicago Pizza opened in the new fiscal year in the renovated Bank of America building on Main Street.
- The English Rose Tea Room was purchased and is slated to open in the new fiscal year by new owners as the Royal Tea Garden.

The 148,600 square foot, 40-acre Costco project in the Johnson Drive Economic Development Zone, which also includes two hotels, a drive-thru coffee shop, and other uses, though approved by the City, was blocked by a lawsuit by the Pleasanton Citizen for Responsible Growth. Additional environmental analysis were circulated for public comment and subsequently approved by the Planning Commission and City Council in early 2020. A second lawsuit challenged the environmental reports which requires a second hearing in early 2022. Transportation improvements and applications for the approved uses are underway despite the delay in the project.

General Plan Build-Out

The City's General Plan is the official document used by City decision makers and citizens to guide the long-range development of land and conservation of resources as the City grows and changes. It is the City's "constitution" for all future development, containing goals, policies and maps. The most recent General Plan was adopted in July 2009. The City's Housing Element was adopted on January 6, 2015 and certified by the State Housing and Community Development Department on January 30, 2015, which is certified through the end of 2022. The Housing Element identified sites which had been zoned for multifamily development in 2012, several of which have projects currently under construction or nearing completion. In FY 2020/21, the following major housing development projects were under construction or completed: Ranch project, a 43-lot single family development on Lund Ranch Road; and Valley Trails (Ponderosa Homes), a 36-unit single family home development at 6900 Valley Trails Drive. Entitled projects, expected to begin construction in FY 2021/22 include the 10x Genomics project, a research and development, office and laboratory campus at 1701 Springdale Road, with the first phase consisting of a three-story, 163,500 square foot building. Several infill residential projects were also under construction during FY 2020/21. Many of these housing units will be available for occupancy starting in FY 2021/22.

Major City Sponsored Initiatives

In addition to construction activity underway in the private sector, the City completed the following major construction and technology projects in FY 2020/21, improving the City's infrastructure, facilities and enhanced business processes with contemporary technology:

Capital Projects Completed

- 2020 Annual Street Resurfacing – Construction
- OBAG II Roadway Resurfacing – Construction
- Urgent Roadway Repairs on Wes Las Positas – Construction
- 2020 Annual Slurry Seal – Construction
- 2020 Annual Curb and Gutter Repairs and Replacements – Construction
- New Tot Lot at Valley Trails Park – Construction
- Sunol/I-680 Intersection – Design
- Annual Speed Lumps – Construction
- Bridge Improvements at Various Locations – Construction
- Softball Fieldhouse and Scorekeeper's Booth Renovation – Construction
- Concession Stand #2 at Ken Mercer Sports Park – Construction
- Three Water Tank Corrosion Control – Construction
- Library Office Remodel – Construction
- Basketball Court Resurfacing at Orloff and Kottinger Village Park – Construction
- Water System Model
- Verizon/MCI Fiber Master Plan Installation – Construction
- Comcast Service Densification – Construction
- Centennial Park Bocce Ball Court – Construction
- Renovation of playgrounds at Ken Mercer, Vintage Hills and Tawny Parks – Construction
- Santa Rita Landscape Improvements (Mohr to Valley) – Construction
- Pioneer Cemetery South Hill Improvements – Construction

Technology Projects Completed

- Upgraded SCADA systems infrastructure to include cybersecurity improvements and enhancements resulting from AWIA audit
- Stood up temporary LPFD Station #3 with network connectivity and computing equipment
- Implemented Wide-Area Network improvements for Police Evidence Room and Gun Range
- Installed CivicPlus Recreation Management System
- Installed public Wi-Fi at Ken Mercer Sports Park
- Upgraded Interactive Voice Response for Community Development Department
- Upgraded Tyler/NWS to v2019 and managed Veoci integration with Tyler/NWS CAD system for Police Department
- Initiated Virtual Desktop Infrastructure 2.0
- Upgraded Accela (Land Management System)
- Instituted cybersecurity initiatives:
 - Upgrade endpoint protection software to non-signature-based AV solutions
 - Cybersecurity training and testing
- Installed enhancements to GIS Viewer to include additional spatial map layers of city assets and information and upgraded GIS server infrastructure.

Long Term Financial Policies and Planning

The City financial policies place an emphasis on building reserves to:

- Reduce the risk of financial impacts resulting from natural disasters or other catastrophic events
- Respond to the challenges of a changing economic environment, including prolonged downturns in the local, state, or national economy
- Demonstrate continued prudent fiscal management and creditworthiness
- Ensure the City can fund capital projects without relying on issuing debt

Consistent with the City Council policy adopted in October of 2016, the City maintains a reserve at least equal to 20 percent of operating expenses in the General Fund¹, totaling \$32.6 million as of June 30, 2021, which equals 29 percent of FY 2020/21 actual operating expenses. The City also has a total of \$22.2 million in Water and Sewer operating reserves, \$42 million in capital project reserves and fund balances available for future projects, and \$63.1 million in reserves² that have been set aside for claims, employee benefits, public art acquisition and maintenance, PARS Section 115, and long-term replacement and renovation of equipment, vehicles, parks and facilities, excluding the City's net pension liability. If needed, these reserves could be drawn upon temporarily to sustain operations during a prolonged economic downturn or until the City could make operational changes to fit the constraints of its resources. While the City's financial policies require that one-time funds be used for one-time purposes, they do allow the temporary use of surplus fund balances to help stabilize services in the event of an emergency, such as after a major earthquake. If any of these reserves were drawn upon for stabilization of services, the goal would be to begin restoring them as soon as possible.

¹ In October of 2016, the City Council adopted a new reserve policy that requires the General Fund to maintain minimum reserves equal to 20 percent of operating expenses and target reserves equal to 25 percent of operating expenses. In addition, the City's reserve policy for Water and Sewer funds requires reserves equal to 30 percent of operating expenses, target reserves of 35 percent and maximum reserves of 40 percent.

² Funds available excluding long-term commitments and liabilities.

Pension Pre-funding and Section 115 Pension Trust Fund

Through June 30, 2021, the City has allocated a total of \$27.3 million to prefund pension related liabilities directly to CalPERS. In addition, in March 2018, the City established a Section 115 Pension Trust fund (Trust Fund) with PARS with an initial contribution of \$28 million in June 2018 and subsequent contributions of \$10 million in FY 2019/20 for a total of \$38 million.

Of the \$38 million, \$16.7 million was deposited into the PARS Conservative Portfolio and the balance into PARS Capital Growth Custom Portfolio. The City's objective is to ensure there will be sufficient funds in the PARS Trust to meet the City's expected increased pension contributions associated with the City's unfunded pension liability and CalPERS policies that require cities and other jurisdictions to fully fund pension liabilities by 2047. The PARS Conservative Portfolio is included in in the General Fund Restricted Reserves shown on page 89 of the Annual Comprehensive Financial Report. The PARS Capital Growth Custom Portfolio is in the PARS Section 115 Pension Trust Fund shown on page 205 of the Annual Comprehensive Financial Report.

The total market value as of June 30, 2021 of the City's Trust Fund is \$48 million: \$18.6 million in the PARS Conservative Portfolio and \$29.4 million in the PARS Capital Growth Custom Portfolio.

City Council adopted the following Section 115 Pension Trust Withdrawal Policy Guidelines (Guidelines) to help ensure there are monies available to help the City make pension contributions when necessary:

- a. Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate (in dollars) of the City's General Fund.
 - ✓ Example: the pension contribution increases by \$2 million from the previous year while General Fund growth is \$1.5 million.
- b. The General Fund has a structural deficit that needs to be addressed (i.e. non-discretionary expenditures exceed revenues).
- c. General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to 20 percent of General Fund expenditures.
- d. Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund.

These prefunding contributions and the establishment of the Section 115 Pension Trust Fund demonstrate the City's commitment to address its pension related liabilities.

Awards

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 Pleasanton for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of the ACFR was made possible through the dedicated work of all members of the Finance Department. We would like to extend special thanks and acknowledgment to Andrew Obando and Christine Chen who were primarily responsible for managing the year-end closing of the City's books and preparing the Annual Comprehensive Financial Report. Other contributing staff include Annette Gibson, Tinh Lucero, Erika Newsome, Rebecca Perry, Mahin Shah, Tam Thai, Charly Yang, and Raquel Zegarra.

The City Council should be acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,



Tina Olson
Director of Finance



Brian Dolan
Interim City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pleasanton
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

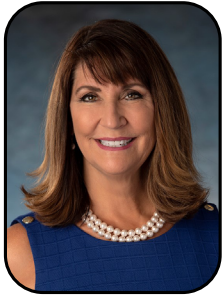
Christopher P. Morill

Executive Director/CEO

CITY OF PLEASANTON

LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2021

ELECTED OFFICIALS:



Mayor
Karla Brown



Vice Mayor
Julie Testa



Council Member
Valerie Arkin



Council Member
Jack Balch



Council Member
Kathy Narum

ADMINISTRATIVE PERSONNEL:



City Manager
Nelson Fialho



City Attorney
Daniel Sodergren



**Assistant
City Manager**
Brian Dolan



**Deputy
City Manager**
Pamela Ott



Director of Finance
Tina Olson



**Director of
Community
Development**
Ellen Clark



**Director of
Engineering**
Steve Kirkpatrick



**Director of
Human Resources
& Labor Relations**
Debra Gill



**Director of
Information
Technology**
Allen Hammond



**Director of
Library &
Recreation**
Heidi Murphy



**Director of
Operations Services**
Kathleen Yurchak



Chief of Police
David Swing

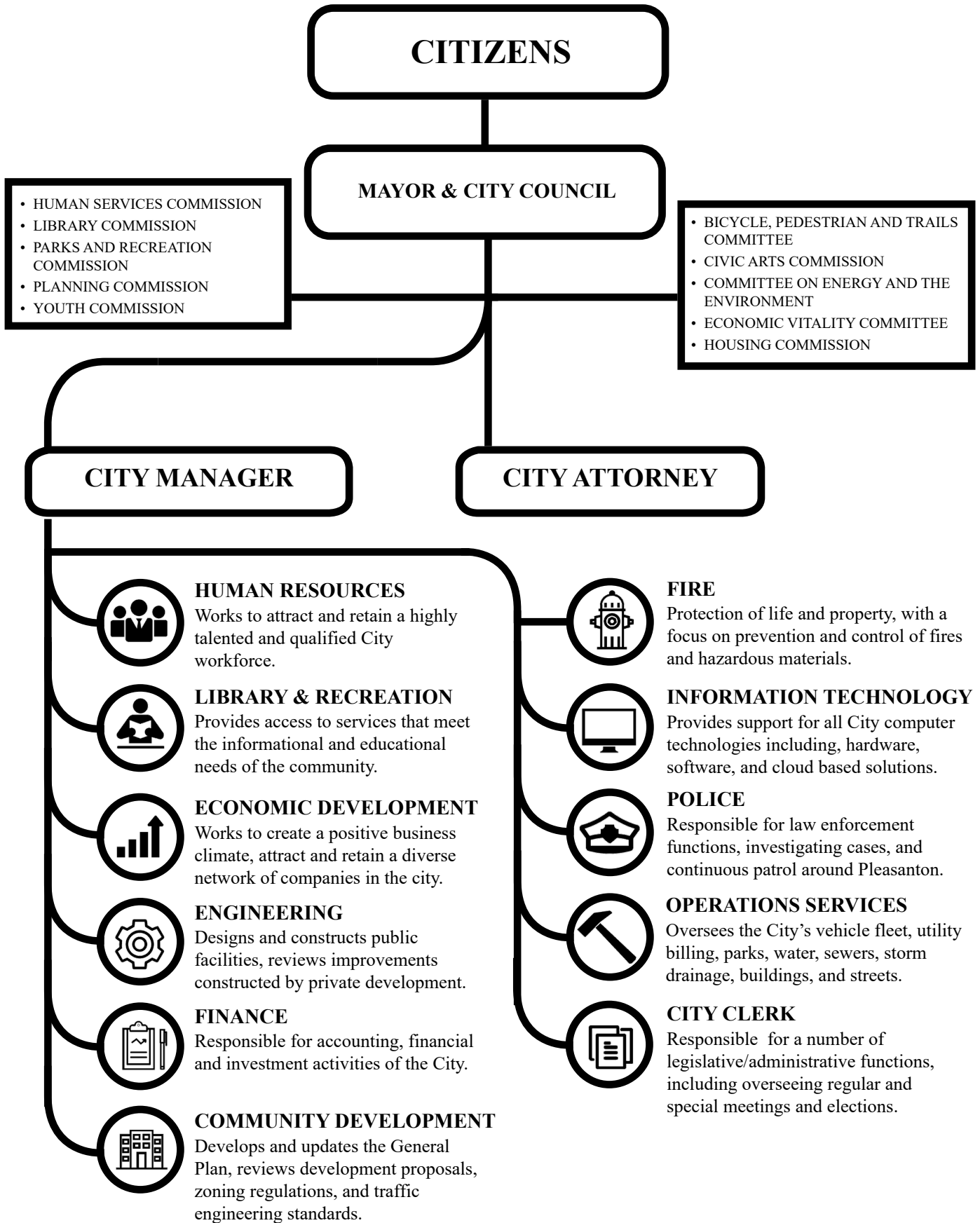


**Interim
Fire Chief**
Joe Testa

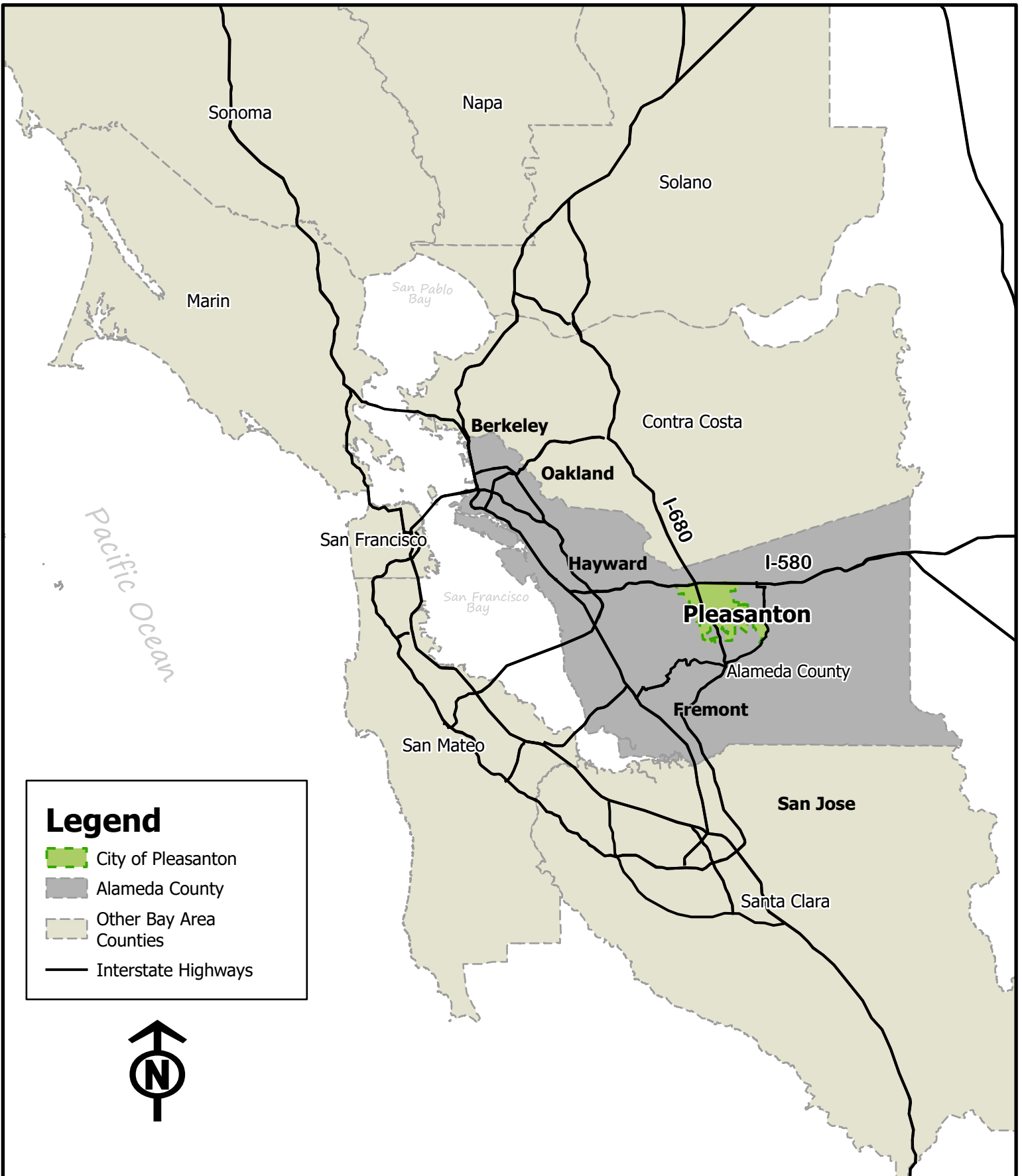


City Clerk
Karen Diaz

FY 2020/21 ORGANIZATION CHART



Pleasanton, California



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Pleasanton, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pleasanton, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California, as of June 30, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



To the Honorable Mayor and Members of the City Council
City of Pleasanton, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.



To the Honorable Mayor and Members of the City Council
City of Pleasanton, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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.

A handwritten signature in cursive script that reads "Lance, Solt & Loughard, LLP".

Sacramento, California
December 13, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pleasanton's (City) Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021 (FY 2020/21). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$3.8 million from FY 2019/20 of which \$4.9 million is governmental activities, primarily due to revenues exceeding expenditures offset by a decrease of \$1.1 million in business-type activities, primarily due to increased sewer expenses.
- Property tax revenues, the largest revenue source for the General Fund, increased by \$3.4 million, or 4.6 percent and sales tax revenues, the second largest revenue source for the General Fund, increased by \$1.2 million, or 5.9 percent. Sales tax revenues generated from Internet Sales (pooled sales tax allocation) increased by 18 percent, Business and Industry increased by 17 percent, and Autos and Transportation increased by eight percent. Transient occupancy taxes decreased by \$2.7 million, or 57.7 percent, because of continued reduced business travel during the COVID-19 pandemic.
- The City's governmental funds reported ending fund balances of \$152.2 million, an increase of \$3.2 million (two percent) from FY 2019/20 as revenues continue to exceed expenditures. This is due to the City's conservative financial planning and policies that helps ensure there will be a year-end surplus.
- The General Fund's fund balance at fiscal year-end was \$43.7¹ million, of which \$24.6 million is unassigned, \$18.6 million is restricted for the PARS Section 115 Pension Trust Fund, and \$0.5 million is non-spendable. The \$43.7 million fund balance is a \$6.4 million increase over the fund balance at the end of FY 2019/20.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditors' Report, Management's Discussion and Analysis (this portion), the basic financial statements, including the required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the City as described below:

- The **Government-wide** financial statements provide both long-term and short-term information about the City's overall financial status.
- The **Fund** financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - **Governmental fund** statements tell how general government services such as police, fire and operations services were financed in the short-term, as well as what remains for future spending.
 - **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.

¹ The FY 2020/21 year-end operating budget report identified \$34.4 million as the General Fund balance or approximately \$9.3 million less than the fund balance of \$43.7 million identified in the audited FY 2020/21 financial statements. The \$9.3 million difference is comprised of the \$7.4 million allocated to the Rainy Day Reserve, \$1.9 million of the General Fund portion of the PARS Section 115 trust fair value earnings, and \$81,000 in unrealized interest earnings. Thus, the City's available General Fund reserve is \$34.4 million, which includes an \$800,000 reserve for the Crisis Response Program established by City Council during FY 2019/20 and \$1 million reserve for COVID Response & Recovery established by City Council using some of the FY 2020/21 year-end General Fund surplus.

- **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or custodian for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The City uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and schedules of changes in net liabilities and related ratios and on contributions on the City's pension and retiree healthcare plans. After these required elements, we have included supplemental information consisting of combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and custodial funds.

The government-wide financial statements and the fund financial statements present different views of the City, as further described below.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government) and the Housing Authority of the City of Pleasanton (Housing Authority) as a component unit. The City Council serves as the Board for the Housing Authority. Financial information for the Housing Authority is blended with the City's financial information. Although it is a legally separate entity, in substance the Housing Authority is a part of the City's operations.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, operations services, and community activities (parks, recreation, and library). The business-type activities of the City include water, sewer, golf, transit, storm drain and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*, as described below.

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 funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

The governmental funds focus 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. This comparison facilitates a better understanding of the

long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds 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 several individual governmental funds organized according to their type (general, special revenue, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds (see Notes to Basic Financial Statements). Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of combining statements.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units of departments in the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds*, as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, transit, storm drain, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, retiree medical benefits, PARS Section 115 Trust Fund, and city enhancements. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of *combining statements*.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council in June preceding the start of the second year (even numbered year). Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions on the City's pension and retiree healthcare plans. The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post-retirement health care benefits (OPEB).

Supplementary Information includes information for non-major governmental, non-major enterprise, internal service, and custodial funds, and is presented immediately following the required supplementary information.

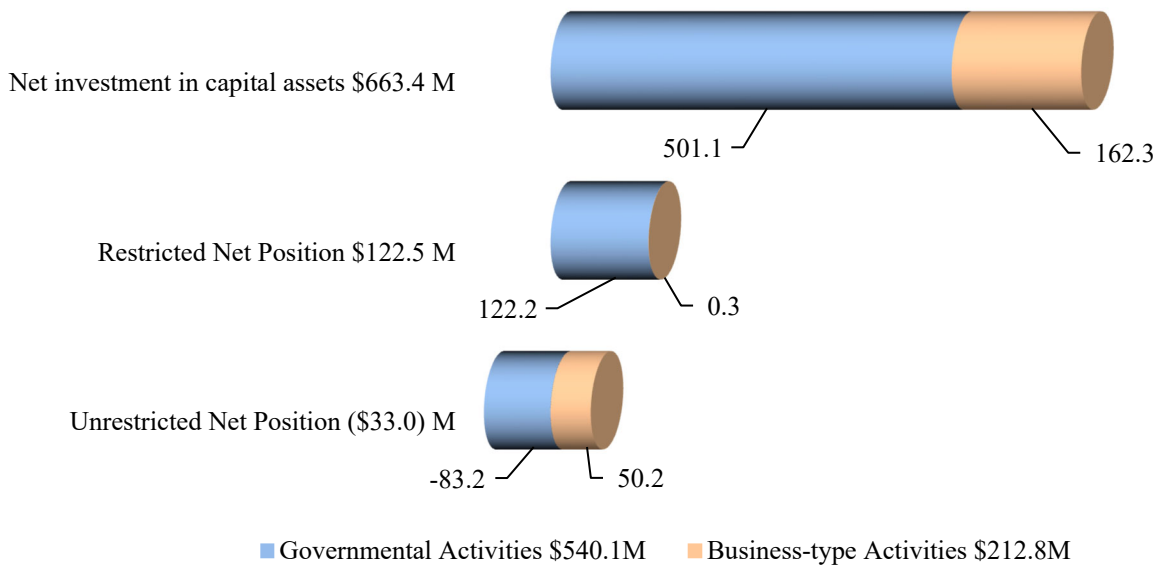
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2019/20 and FY 2020/21. The Statement of Net Position for the two years will be discussed first, followed by a discussion of the Changes in Net Position for the two years.

The following table is a summary of the Statement of Net Position as of June 30, 2020 (2020) and June 30, 2021 (2021):

City of Pleasanton							
Net Position (in millions of dollars)							
	Governmental		Business-type		Total		Total Percentage Change 2020 to 2021
	Activities	Activities	Activities	Activities	2020	2021	
	2020	2021	2020	2021	2020	2021	
Assets:							
Current and other assets	\$ 247.9	\$ 261.2	\$ 79.4	\$ 85.0	\$ 327.3	\$ 346.2	5.8%
Capital assets	499.1	502.0	172.3	166.0	671.4	668.0	-0.5%
Total assets	747.0	763.2	251.7	251.0	998.7	1,014.2	1.6%
Deferred outflows of resources	29.5	29.4	2.1	2.0	31.6	31.4	-0.6%
Liabilities:							
Other liabilities	13.7	19.6	12.2	13.3	25.9	32.9	27.0%
Long-term liabilities	210.6	220.0	26.3	26.0	236.9	246.0	3.8%
Total liabilities	224.3	239.6	38.5	39.3	262.8	278.9	6.1%
Deferred inflows of resources	17.0	12.9	1.4	0.9	18.4	13.8	-25.0%
Net Position:							
Net investment in capital assets	497.9	501.1	158.2	162.3	656.1	663.4	1.1%
Restricted	118.4	122.2	0.2	0.3	118.6	122.5	3.3%
Unrestricted	(81.1)	(83.2)	55.5	50.2	(25.6)	(33.0)	28.9%
Total net position	\$ 535.2	\$ 540.1	\$ 213.9	\$ 212.8	\$ 749.1	\$ 752.9	0.5%

Statement of Net Position as of June 30, 2021
(in millions of dollars)



Analysis of Net Position – With the consolidation of government-wide net position into one statement and the exclusion of fiduciary funds, net position serves as a useful indicator of a government’s financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$752.9 million at the close of FY 2020/21.

The City reported positive balances in net investment in capital assets and in restricted net position for both governmental and business-type activities. Governmental activities concluded the fiscal year with a negative unrestricted net position due primarily to its share of OPEB and pension liabilities increasing, and business-type activities reported a positive unrestricted net position at year-end. The following are the primary components of the City’s net position:

- The *net investment in capital assets* (e.g., infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, is \$663.4 million (88.1 percent of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets are generally not used to liquidate these liabilities.
- The *restricted net position* of \$122.5 million (16.3 percent of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$41.2 million restricted in the capital project funds for the construction of major capital projects (including improvements to streets, bridges, and bicycle and pedestrian trails and park improvements throughout the City); \$47.9 million restricted for pension funding in the PARS Section 115 Pension Trust; \$21.9 million restricted in a variety of special revenue funds to support specific City programs; \$11.2 million in the Lower Income Housing Fund for housing related projects; and the balance of \$0.3 million is restricted for transportation programs.
- The *unrestricted net position* of negative \$33.0 million (-4.4 percent of the total) reflects the City’s net pension and OPEB liabilities of \$144.9 million and \$32.2 million, respectively. It also includes the City’s

share of Livermore-Pleasanton Fire Department's (LFPD) net deficit of \$44.2 million (also reflecting LFPD's pension and OPEB liabilities), which is offset by various reserves including amounts set aside for future capital improvements in the capital projects funds, and reserves held in internal service funds to pay for retiree medical expenses, general liability claims, and repair and replacement of City facilities and equipment. Governmental activities account for \$83.2 million of the negative unrestricted net position. Business-type activities account for \$50.2 million, the majority of which is held in the utility funds for future capital projects and emergency repairs and replacement.

The following table reflects the change in net position for governmental and business-type activities for the year ended June 30:

City of Pleasanton							
Changes in Net Position							
(in millions of dollars)							
	Governmental		Business-type		Total		Total % Change
	Activities	Activities	Activities	Activities	Activities	Activities	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	
Revenues:							
Program revenues:							
Charges for services	\$ 12.3	\$ 12.3	\$ 49.5	\$ 53.2	\$ 61.8	\$ 65.5	6.0%
Operating grants & contributions	2.7	8.7	0.1	0.5	2.8	9.2	228.6%
Capital grants & contributions	12.5	9.7	1.5	-	14.0	9.7	-30.7%
General revenues:							
Property taxes	74.3	77.7	-	-	74.3	77.7	4.6%
Sales taxes	20.7	21.9	-	-	20.7	21.9	5.8%
All other taxes	15.4	11.1	-	-	15.4	11.1	-27.9%
All other general revenues	6.6	9.9	2.8	2.0	9.4	11.9	26.6%
Total revenues	<u>144.5</u>	<u>151.3</u>	<u>53.9</u>	<u>55.7</u>	<u>198.4</u>	<u>207.0</u>	4.3%
Expenses:							
General government	17.9	16.7	-	-	17.9	16.7	-6.7%
Public safety	53.4	57.8	-	-	53.4	57.8	8.2%
Community development	17.5	27.2	-	-	17.5	27.2	55.4%
Operations services	34.9	31.5	-	-	34.9	31.5	-9.7%
Community activities	15.8	12.7	-	-	15.8	12.7	-19.6%
Water	-	-	32.3	32.0	32.3	32.0	-0.9%
Sewer	-	-	16.3	17.1	16.3	17.1	4.9%
Golf	-	-	4.7	5.1	4.7	5.1	8.5%
Other	-	-	3.6	3.1	3.6	3.1	-13.9%
Total expenses	<u>139.5</u>	<u>145.9</u>	<u>56.9</u>	<u>57.3</u>	<u>196.4</u>	<u>203.2</u>	3.5%
Revenues over (under) expenses	<u>5.0</u>	<u>5.4</u>	<u>(3.0)</u>	<u>(1.6)</u>	<u>2.0</u>	<u>3.8</u>	90.0%
Transfer In/(Out)	(1.2)	(0.5)	1.2	0.5	0.0	0.0	0.0%
Change in net position	3.8	4.9	(1.8)	(1.1)	2.0	3.8	90.0%
Net position, beginning of year	<u>531.4</u>	<u>535.2</u>	<u>215.7</u>	<u>213.9</u>	<u>747.1</u>	<u>749.1</u>	0.3%
Net position, end of year	<u>\$ 535.2</u>	<u>\$ 540.1</u>	<u>\$ 213.9</u>	<u>\$ 212.8</u>	<u>\$ 749.1</u>	<u>\$ 752.9</u>	0.5%

Changes in Net Position

Governmental activities increased the City's net position by \$3.8 million in FY 2020/21, as a result of revenues exceeding expenses and net transfers.

Total governmental activities revenues increased by approximately \$4.3 million over FY 2019/20.

Program Revenues - \$3.2 million increase

- Charges for services remained consistent with FY 2019/20 at the amount of \$12.3 million.
- Operating grants and contributions increased by \$6.0 million primarily due to increased intergovernmental revenues to support response to and mitigation of the COVID-19 pandemic. Capital grants and contributions decreased by \$2.8 million due to fewer developer capital contributions received during the fiscal year than in FY 2019/20.

General Revenues - \$3.6 million increase

- Property tax increased by \$3.4 million in FY 2020/21 primarily due to the increase in assessed property values attributed to the continued demand for housing, additional housing units, and commercial development.
- Use of property and money increased by \$3.0 million due to restricted investment gains from the City's PARS Section 115 Trust Fund. The Plan's Long-Term Capital Growth investment realized an annual investment performance of 29.2 percent as of June 30, 2021.
- Sales tax increased by \$1.2 million in FY 2020/21 primarily caused by increased internet sales, business and industrial sales tax, and auto and transportation sales.
- Franchise taxes decreased by \$2.0 million due to Pleasanton Garbage Services' accumulated franchise rate reserve payout to the City in the previous fiscal year, FY 2019/20.
- The Transient Occupancy Tax decreased by \$2.7 million due to the COVID-19 pandemic's impact on the hospitality industry. Most travel to the area is business related travel and with the continuing health mandates placed upon employers, the region experienced a significant reduction in this hotel industry tax.

The City's governmental activities expenses increased by \$6.4 million over FY 2019/20.

- Community Development expenses increased by \$9.7 million, Public Safety expenses increased by \$4.4 million, which are mainly attributable to the City's response to the pandemic, including hosting a regional testing site², increased personnel expenses including pensions, and an increased cost of contractual services. Increases were offset with decreases in Community Activities, Operations Services, and General Government, by \$3.1 million, \$3.4 million, and \$1.2 million, respectively.

Business-type activities net position decreased by \$1.1 million, primarily due to increased sewer expenses.

The City's business-type activities provide the same type of information as the proprietary fund financial statements but are presented in a more summarized format. Key changes in the business-type activities are as follows:

- Program revenues increased by \$2.6 million mainly due to the increased water sales over FY 2019/20, as well as increased golf course revenues. The Callippe Preserve Golf Course operations saw a significant

² The City spent \$4 million in FY 2020/21 to cover the costs of the COVID-19 testing site at the Alameda County Fairgrounds, all of which Alameda County reimbursed.

increase in golf rounds played, from 46,306 rounds played in FY 2019/20, to 76,005 rounds played in FY 2020/21.

- Capital grants and contributions decreased by \$1.5 million due to fewer developer capital contributions completed during the fiscal year.

An analysis of key changes at the governmental funds level and proprietary funds level is provided in the following **Fund Financial Analysis** section.

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 resources that are available to fund services and capital project construction.

Fund Balances

In November 2016, the City Council adopted a reserve policy that requires the General Fund to maintain minimum reserves equal to 20 percent of operating expenditures and target reserves equal to 25 percent of operating expenditures. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unassigned fund balance. Details of the fund balance classifications are disclosed in *Note 9* in the **Notes to**

Basic Financial Statements.

As of June 30, 2021, the City's governmental funds reported combined fund balances of \$152.2 million, an increase of \$3.2 million in comparison with FY 2019/20. Revenues slightly increased overall by \$867,000 during the fiscal year. Multiple factors contributed to the increase. Property tax revenues, the City's largest General Fund revenue source increased by \$3.4 million. Actual property tax collections across all categories of property related taxes were greater than anticipated. Sales tax revenues increased by \$1.2 million, with the primary drivers from increases in the Internet Sales, Business and Industry, and Autos and Transportation categories. The City also realized increases in Intergovernmental revenues of \$5.9 million, due primarily to the City hosting a regional COVID-19 testing site at the Alameda County Fairgrounds funded by the County's CARES Act allocation. Additionally, the City was granted funds from the second iteration of the One Bay Area Grant (OBAG) with federal transportation funding from the Federal Highway Administration. The increased revenues were offset with decreases in franchise revenues (\$5.3 million) due to one-time revenues received in FY 2019/20 from the Pleasanton Garbage Services rate reserve payout, decreases in unrealized interest revenues (\$2.5 million), and reduced recreation charges (\$2.3 million) due to the ongoing effects of the COVID-19 pandemic on the City's ability to provide recreation programs.

Though there was an overall increase in governmental expenditures for the year of \$12.5 million from the prior fiscal year, revenues exceeded expenditures contributing to the increase in fund balances. While expenditures for general government and operation services were slightly less than the prior year, community development expenditures realized an increase of \$9.7 million dollars primarily supporting the City's response to the COVID pandemic, including a regional testing site, business support loans, emergency rental assistance, and ongoing occupational health support to City employees. Capital outlay expenditures increased by \$5.3 million, as the City's Annual Streets Resurfacing and Reconstruction projects resumed after being delayed in the prior fiscal year due to limited staffing resources and the COVID pandemic.

Restricted fund balances constitute \$92.9 million of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation: for example, low-income housing projects, projects funded by park development fees, and street projects funded by gas tax, Measure B and Measure BB funds. *Assigned fund balances* of \$34.9 million represent funds to be used for City funded capital

projects that have not been specifically identified or constrained by City Council. *Non-spendable fund balances* of \$0.5 million represent advances to other funds and notes receivable. *Unassigned fund balances* of \$23.9 million consist of amounts that City officials have not classified as non-spendable, restricted, committed, or assigned.

The following table presents the Governmental Funds' fund balances by classification as of June 30, 2021:

GASB 54 Fund Balances:	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Notes Receivable, Advances to Other Funds	\$ 515,007	\$ -	\$ -	\$ -	\$ 515,007
Total Nonspendable	<u>515,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,007</u>
Restricted:					
Accessibility Programs	-	-	-	56,727	56,727
Assessment District Construction	-	-	-	1,261,297	1,261,297
Asset Forfeiture	-	-	-	27,968	27,968
Budgeted Developer Projects	-	-	-	10,252,573	10,252,573
Business Support Program	-	-	-	1,752,198	1,752,198
Community Access Television	-	-	-	1,639,309	1,639,309
CIP for Downtown & North Pleasanton	-	-	-	3,285,645	3,285,645
Geological Hazard Assessment District	-	-	-	1,379,539	1,379,539
Housing	-	11,160,054	-	-	11,160,054
Landscape and Lighting District	-	-	-	408,897	408,897
Landscape Maintenance NPID	-	-	-	1,056,180	1,056,180
Marilyn Kane Trail Reserve	-	-	-	116,486	116,486
Miscellaneous Donations/Developer Contributions	-	-	-	735,348	735,348
Park Development	-	-	-	10,370,515	10,370,515
PARS Section 115 Pension Trust	18,566,741	-	-	-	18,566,741
Public Facilities Capital Improvements	-	-	-	3,568,429	3,568,429
Public Safety	-	-	-	138,644	138,644
Resource Management	-	-	-	1,138,102	1,138,102
Street Maintenance	-	-	-	12,645,699	12,645,699
Traffic Impact	-	-	-	10,389,543	10,389,543
Tri-Valley Transportation	-	-	-	2,076,524	2,076,524
Various Specific Plans	-	-	-	854,347	854,347
Total Restricted	<u>18,566,741</u>	<u>11,160,054</u>	<u>-</u>	<u>63,153,970</u>	<u>92,880,765</u>
Assigned:					
Capital Projects	-	-	21,424,781	12,705,413	34,130,194
Other Purposes	-	-	-	748,049	748,049
Total Assigned	<u>-</u>	<u>-</u>	<u>21,424,781</u>	<u>13,453,462</u>	<u>34,878,243</u>
Unassigned:					
Total Unassigned	<u>24,653,598</u>	<u>-</u>	<u>-</u>	<u>(697,414)</u>	<u>23,956,184</u>
Total Fund Balances	<u>\$ 43,735,346</u>	<u>\$ 11,160,054</u>	<u>\$ 21,424,781</u>	<u>\$ 75,910,018</u>	<u>\$ 152,230,199</u>

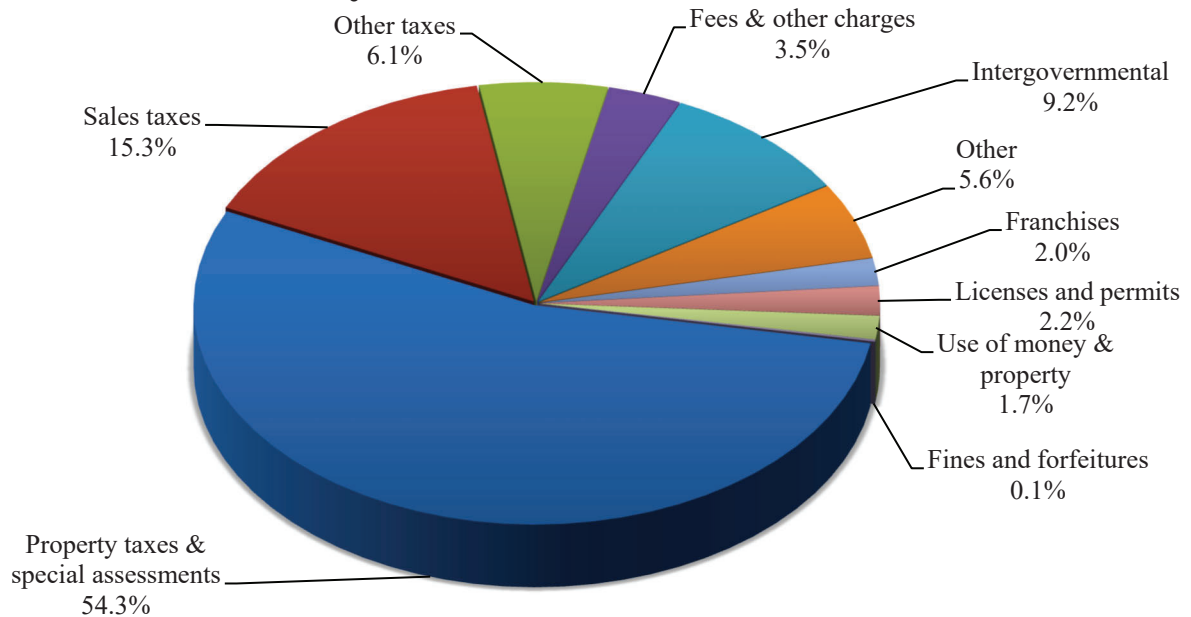
Revenues

The following table presents the FY 2020/21 revenues from various sources, as well as the increase or decrease in these revenues over FY 2019/20.

**City of Pleasanton
Revenues Classified by Source
Governmental Funds
(in millions of dollars)**

Revenues by Source	FY 2020		FY 2021		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 74.5	52.2%	\$ 77.9	54.3%	\$ 3.4	4.6%
Sales taxes	20.7	14.5%	21.9	15.3%	1.2	5.8%
Other taxes	10.8	7.6%	8.7	6.1%	(2.1)	-19.4%
Licenses and permits	2.7	1.9%	3.1	2.2%	0.4	14.8%
Fines and forfeitures	0.3	0.2%	0.2	0.1%	(0.1)	-33.3%
Use of money & property	5.0	3.5%	2.5	1.7%	(2.5)	-50.0%
Intergovernmental	7.3	5.1%	13.2	9.2%	5.9	80.8%
Franchises	8.3	5.8%	2.9	2.0%	(5.4)	-65.1%
Fees & other charges	7.7	5.4%	5.0	3.5%	(2.7)	-35.1%
Other	5.3	3.8%	8.1	5.6%	2.8	52.8%
Total	\$ 142.6	100.0%	\$ 143.5	100.0%	\$ 0.9	0.6%

Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source in FY 2020/21.

- **Property taxes and special assessments** increased by \$3.4 million (4.6 percent) primarily due to the increase in assessed property values. Property tax revenues account for approximately 62 percent of total General Fund revenues, and 54 percent of all governmental funds.
- **Sales taxes** increased by \$1.2 million (5.8 percent) in FY 2020/21 primarily caused by increased internet sales, business and industrial sales tax, and auto and transportation sales.
- **Other taxes** decreased by \$2.1 million (-19.4 percent) during FY 2020/21, driven by a decrease of \$2.7 million in hotel tax primarily due to the Alameda County Shelter-in-Place (SIP) order brought on by the COVID-19 Pandemic.
- **Franchise Fees** decreased by \$5.4 million (-65.1 percent) due to the one-time payout of the Pleasanton Garbage Services' accumulated franchise rate reserve paid to the City in FY 2019/20. Under the newest agreement between the City and Pleasanton Garbage Services, the franchise rate reserve was to be dissolved. City Council approved \$2.0 million of the rate reserve to cover the 0.5 percent increased franchise fee from 2018 through 2029. The use of remaining \$3.3 million from the reserve will be brought to City Council for future considerations.
- **Fees and other charges** decreased by \$2.7 million (-35.1 percent) due to the County SIP order brought on by the COVID-19 Pandemic. The City recognized a \$2.3 million decrease in recreation revenues, including the City's preschool, theater and entertainment centers, and sport and specialty classes, and a \$0.2 million decrease in development fees.

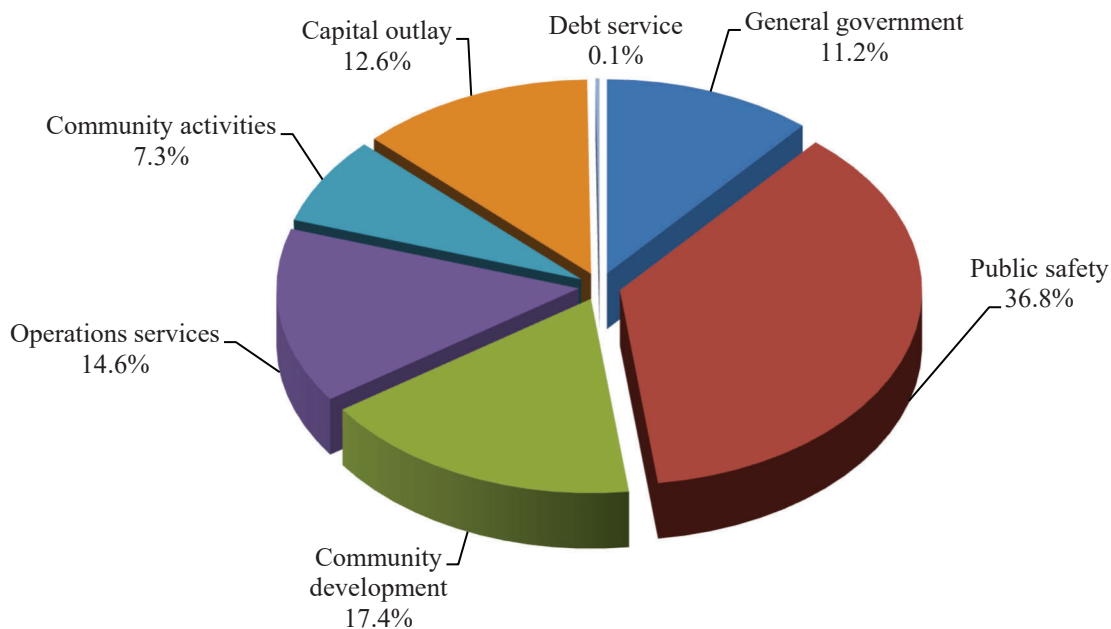
Expenditures

The following table presents expenditures by function in FY 2020/21 and the increase and decrease in expenditures as compared to FY 2019/20.

**City of Pleasanton
Expenditures Classified by Function
Governmental Funds
(in millions of dollars)**

Expenditures by Function	FY 2020		FY 2021		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$ 16.0	12.4%	\$ 15.9	11.2%	\$ (0.1)	-0.6%
Public safety	50.3	38.9%	52.1	36.8%	1.8	3.6%
Community development	16.7	12.9%	24.6	17.4%	7.9	47.3%
Operations services	20.8	16.2%	20.7	14.6%	(0.1)	-0.5%
Community activities	12.7	9.8%	10.3	7.3%	(2.4)	-18.9%
Capital outlay	12.4	9.6%	17.8	12.6%	5.4	43.5%
Debt service						
Principal and interest	0.3	0.3%	0.3	0.1%	-	0.0%
Total	<u>\$ 129.2</u>	<u>100.0%</u>	<u>\$ 141.7</u>	<u>100.0%</u>	<u>\$ 12.5</u>	<u>9.7%</u>

Expenditures by Function - Governmental Funds



The following provides an explanation of significant changes in expenditures in FY 2020/21.

- Governmental expenditures increased by \$12.5 million or 9.7 percent from FY 2019/20. There were large increases in community development of \$7.9 million or 47.3 percent, \$5.4 million or 43.5 percent in capital outlay expenditures, and \$1.8 million or 3.6 percent in public safety expenditure. These increases were offset by decreases in expenditures of \$2.4 million in community activities and \$0.1 million in operation services.

Major Governmental Funds

The designated major *Governmental Funds* in FY 2020/21 are the General Fund, the Lower Income Housing Fund, and the Miscellaneous Capital Improvement Programs Fund.

The **General Fund** is the primary operating fund of the City which accounts for most City services, including public safety, operations services, parks and community services, library, community development, and general government.

By policy, the City maintains a reserve equal to at least 20 percent of annual General Fund expenditures. Also, by policy, any one-time revenues are used for one-time purposes, such as capital projects or pre-funding pension liabilities.

The City Council has allocated the City's General Funds' fund balance in conformance with GASB Statement No. 54. The City maintains the fund balance consistent with its formal financial policies.

The following table summarizes the General Funds' fund balance allocation, showing the beginning balances, plus changes resulting from FY 2020/21 operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of June 30, 2021

	Balance June 30, 2020	Actual Additions and Deletions	Balance June 30, 2021
Unassigned	\$ 19,279,867	\$ 5,373,732	\$ 24,653,599
Restricted	17,479,186	1,087,554	18,566,740
Nonspendable	515,352	(345)	515,007
Total Fund Balance	\$ 37,274,405	\$ 6,460,941	\$ 43,735,346

The **Lower Income Housing Fund** is funded with developer fees that are used to provide both rental and ownership affordable housing in the City through programs that subsidize rents and provide secondary financing to first-time homebuyers, and provide funding to lower income housing developments. The Lower Income Housing Fee, which is paid by developers in lieu of constructing new affordable housing, amounted to \$0.8 million in FY 2020/21, a \$0.3 million increase from FY 2019/20. The City has seen development activities slow since the start of the pandemic, but the increase in fees received is an indication of the slow growth returning to the area. Housing loan activity was relatively quiet during the fiscal year. No new housing loans were issued, and loan repayments totaled \$70,291. Expenditures increased by \$200,000 due to the Emergency Rental Assistance Program that provided support to renters affected by the COVID-19 Pandemic.

The **Miscellaneous Capital Improvement Programs (CIP) Fund** primarily receives contributions from the General Fund and Capital Facilities Fees paid by developers to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program (CIP). In FY 2020/21, the fund received \$3.5 million from the General Fund and \$1.7 million from Capital Facilities Fees. The Miscellaneous CIP Fund also transferred \$1.2 million to the Street CIP Fund to provide funding for the capital improvement projects to roadway resurfacing. The primary FY 2020/21 expenditure in the Miscellaneous CIP Fund was the workplace improvements for re-entry project. The project consisted of supporting the region’s efforts to mitigate and recover from the effects of COVID that included the partnerships with Alameda County, Stanford Health Care - ValleyCare, the City of Dublin, and the City of Livermore to provide COVID testing services at the Alameda County Fairgrounds. Also, during the fiscal year, the City began construction of the new Fire Station #3 (\$0.3 million) and the Downtown Transportation Corridor Parking Lot Improvement (\$0.3 million) projects.

Major Proprietary Funds

The designated major *Proprietary funds* in FY 2020/21 are the Water, Sewer, Golf, and Storm Drain funds.

The **Water Fund’s** net position increased by \$1.7 million. Operating revenues increased by \$2.8 million due to the increase in water sales over FY 2019/20, and operating expenses decreased by \$0.3 million over the prior fiscal year. Decreases in operating expenses were mainly attributable to decreased salary and benefits associated with greater staff turnover compared to the prior year. The increase in operating revenues and decreases in operating expenses resulted in operating income of \$1.4 million.

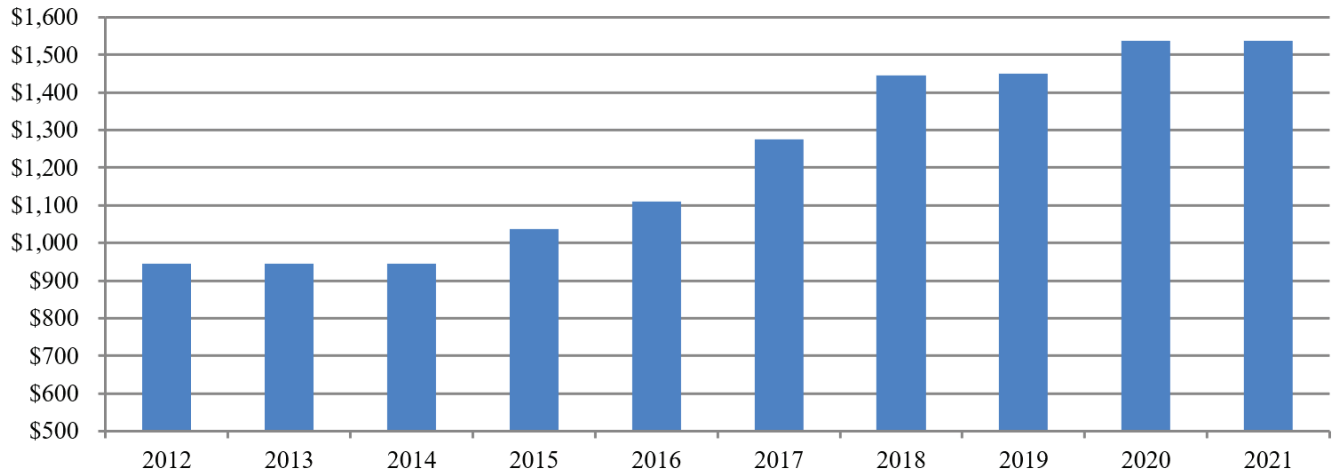
Water Fund Reserves

In November 2016, the City Council adopted a reserve policy that requires the Water Fund to maintain minimum reserves equal to 30 percent of operating expenses and target reserves equal to 35 percent of operating expenses. As of June 30, 2021, the Water Operating Fund had a combined reserved balance of \$14.6 million, which equals 54 percent of the combined Water Operating Funds’ actual FY 2020/21 expenses. The City Council allocated \$275,000 of the Water Fund surplus for a Drought Response Reserve and \$1 million to a reserve for a PFAS CIP project. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond

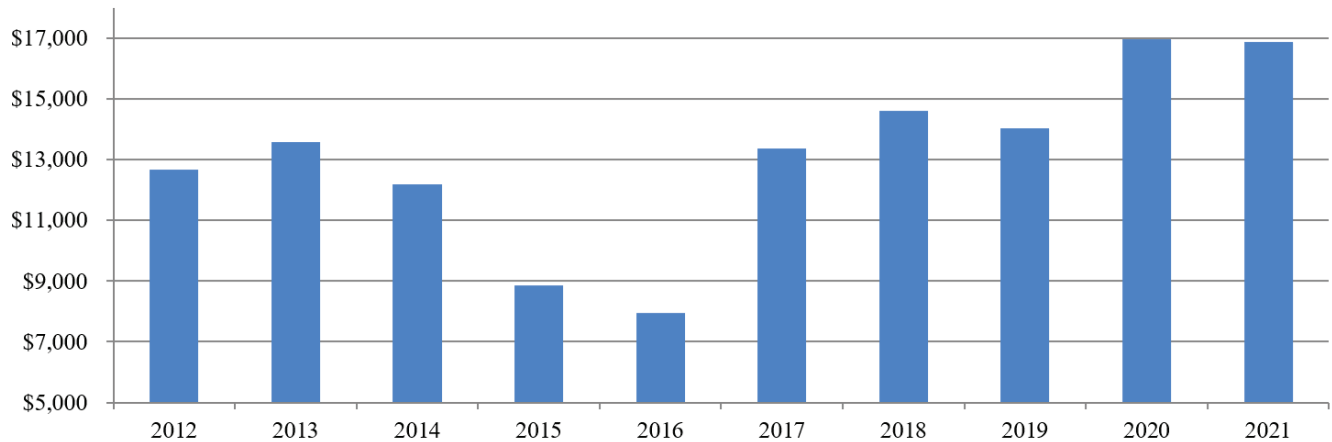
those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unrestricted net position.

The City’s water costs remained consistent with FY 2019/20. The graphs below depict the price increases over the last ten years in the Zone 7 treated water rates per acre-foot and the total expended by the City over that period to purchase water from Zone 7. Due to the financial impacts of COVID-19, the Zone 7 Board of Directors adopted a resolution to not increase treated water rates in calendar year 2021, The City’s water rate ordinance requires the City to increase its water rates to offset the increase in Zone 7 water rates in order to remain fiscally solvent. The City continues to monitor the revenues and expenses of the Water Fund.

Summary of Zone 7 Treated Water Rates (\$ per acre-foot)



Summary of Water Costs (in thousands)



The **Sewer Fund’s** net position decreased by \$0.2 million. Operating revenues increased by \$0.6 million and operating expenses increased by \$0.8 million, resulting in an operating loss of \$1.1 million. The increases in operating expenses were mainly attributable to increases in personnel services and materials, supplies and services of \$0.4 million and \$0.5 million, respectively. Offsetting the Sewer Fund’s operating loss were increases in nonoperating revenues through interest income and the City’s gain in equity with the Livermore-Amador Valley Water Management Agency (LAVWMA). Similar to the Water Fund, the City’s sewer rate ordinance requires the City to increase its sewer rates to pass through the increase in DSRSD rates in order to remain fiscally solvent.

Sewer Operating Fund Reserves

In November 2016, the City Council adopted a reserve policy that requires the Sewer Fund to maintain minimum reserves equal to 30 percent of operating expenses and target reserves equal to 35 percent of operating expenses. As of June 30, 2021, the Sewer Operating Fund had a reserved balance of \$10.0 million which equals 71 percent of the Sewer Operating Fund’s actual FY 2020/21 expenses, exceeding the maximum required reserves. The City Council allocated \$1.1 million of the reserve balance at the fiscal year end to a capital improvement project reserve to fund implementation of projects from the Sewer Management Plan that is underway. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from unrestricted net position.

The **Golf Fund’s** net position decreased by \$1.4 million in FY 2020/21 due largely to transfers out to repay the General Fund and to fund repair and replacement reserves.

The **Storm Drain Fund’s** net position decreased by \$0.8 million in FY 2020/21 due largely to depreciation expense of \$1.1 million for the City’s storm drain system.

Fiduciary Funds

There were no designated major funds in the *Fiduciary Funds* in FY 2020/21.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund’s budget to actual variances for FY 2020/21. The Original Budget was established in June 2019 when the City adopted the two-year budget for fiscal years 2019/20 and 2020/21. The Final Budget was adopted in March 2021 when the City Council approved the FY 2020/21 Midyear Budget. Actual revenues were greater than final budget by \$4.6 million or 3.8 percent and expenditures were less than final budget by \$1.3 million or 1.1 percent.

The fund balance of \$43.7 million is an increase of \$6.4 million over FY 2019/20. At the fiscal year-end, there was a budget surplus of \$7.5 million, excluding unrealized gains from investments. The City Council approved allocating the surplus³ to the General Fund Reserve (\$2.0 million), Repair and Replacement Reserve (\$2.0 million), and Capital Improvement Project Reserve (\$2.5 million). The remain \$1 million was allocated to COVID Response and Recovery efforts carried over to FY 2021/22 to help fund continuing costs associated with employee COVID testing and other Occupational Health support related to COVID.

General Fund budget-to-actual variances for FY 2020/21 are reflected in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

General Fund FY 2020/21 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 130,672,964	\$121,939,652	\$126,584,069	\$ 4,644,417
Expenditures	(124,482,134)	(116,726,474)	(115,390,177)	(1,336,297)
Other Financing Sources(Uses):				
Transfers in	1,106,780	1,106,780	1,290,641	183,861
Transfers out	(7,197,345)	(7,550,320)	(6,023,592)	(1,526,728)
Net change in fund balance	\$ 100,265	\$ (1,230,362)	\$ 6,460,941	\$ 7,691,303

³ The FY 2020/21 year-end budget report identified a revenue surplus of \$3.4 million or \$1.2 million less than the \$4.6 million revenue surplus identified in the following table. The \$1.2 million represents \$838,918 in restricted gains from the City’s investments in FY 2020/21 and \$394,045 from the developer bonds fiduciary fund that was transferred to the General Fund with the implementation of GASB Statement 84, Fiduciary Activities.

Actual General Fund revenues exceeded final budget estimates by \$4.6 million in FY 2020/21. Actual revenues exceeded budgeted amounts most notably in sales and use tax, and business licenses taxes, while revenues were less than anticipated most notably in state grants. The decreases in state grants are directly attributable to the anticipated SB 2 Planning Grant and Local Early Action Planning (LEAP) Grant. Both grants assist the Community Development Department address housing shortages, high housing costs, and increase affordable housing. The work is underway for both grants and the associated revenues should be expected in FY 2021/22

Revenue variances are summarized below:

General Fund FY 2020/21 Revenues Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 75,140,000	\$ 77,367,123	\$ 77,667,356	\$ 300,233
Sales & Use Tax	22,500,000	20,030,000	21,883,038	1,853,038
Hotel & Motel Tax	7,000,000	2,100,000	2,014,843	(85,157)
Business License Tax	4,150,000	4,000,000	4,870,543	870,543
Other Taxes	1,575,000	1,310,000	1,821,018	511,018
Development Services Fees	5,601,827	5,274,580	5,388,506	113,926
Franchise Fees	3,285,000	2,975,000	2,941,828	(33,172)
Recreation Fees	4,770,518	774,303	1,347,488	573,185
Department Service Fees	1,284,763	1,246,363	1,281,871	35,508
Other Revenues	4,394,606	4,442,630	4,844,950	402,320
Grants & Intergovernmental	442,500	2,013,653	1,403,811	(609,842)
Interest Income	528,750	406,000	1,118,817	712,817
Total	\$ 130,672,964	\$ 121,939,652	\$ 126,584,069	\$ 4,644,417

Actual General Fund expenditures of \$115.4 million were less than the final budget estimates by \$1.3 million (1.1 percent). The majority of the decrease was related to Personnel Expenditures ending the year \$2.3 million less than budgeted. This is primarily related to reducing the allocation to the City's Other Post-Employment Benefits (OPEB) CERBT Trust Fund based on recommendations by the City's actuary and additional vacancies that were not anticipated during the mid-year budget review. The \$2.0 million actual expenditures incurred greater than the savings in Repairs and Maintenance reflect General Fund surplus of \$2.0 million allocated by City Council at the fiscal year-end to the Repair and Replacement Reserves.

General Fund FY 2020/21 Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenditures	\$ 90,732,381	\$ 88,925,064	\$ 86,665,350	\$ 2,259,714
Transportation and Training	2,005,196	1,548,893	1,129,925	418,968
Repairs and Maintenance	6,821,939	4,079,509	6,077,709	(1,998,200)
Material, Supplies and Services	24,578,628	21,599,057	20,958,692	640,365
Capital Outlay	343,990	573,951	558,501	15,450
Total	\$ 124,482,134	\$116,726,474	\$115,390,177	\$ 1,336,297

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, was \$668.1 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, right-of-ways, buildings, improvements other than buildings, vehicles and equipment, public art, and construction in progress. The City's investment in capital assets (net of accumulated depreciation) decreased by \$3.4 million from the prior fiscal year. Major capital asset changes during the fiscal year were as follows:

- Governmental activities net capital assets increased overall by \$3.0 million in FY 2020/21. Total capital asset additions and retirements were \$18.3 million and \$0.1 million, respectively. In addition, current year depreciation expense additions and retirements were \$15.3 million and \$0.1 million, respectively. Capital assets activity included:
 - Various construction in progress projects (\$15.9 million) were added in FY 2020/21 and included the following major projects: Annual Street Resurfacing and Curb and Gutter (\$5.6 million), design and construct Fire Station #3 (\$2.2 million), Roadway resurfacing for OBAG II (\$2.4 million), Bridge improvements (\$1.6 million), various parks, trails, recreational and playground renovations (\$1.1 million), various intersection, sidewalk and pedestrian improvements (\$1.2 million), Interstate 680/Sunol Boulevard improvements (\$0.6 million), Pioneer Cemetery improvements (\$0.6 million), Downtown Transportation Corridor Parking Lot Improvement (\$0.4 million), and Library Office Remodel (\$0.2 million).
 - The following completed construction projects totaling \$14.6 million were transferred to various asset categories: Annual Street Resurfacing (\$4.6 million), Roadway Resurfacing for OBAG II (\$2.4 million), Bridge improvements (\$1.8 million), Softball field, booth, and concession stand improvements (\$1.8 million), Library office remodel (\$1.3 million), Annual curb and gutter replacement (\$0.6 million), Fire Station #4 improvement and repairs (\$0.5 million), Pioneer Cemetery South Hill improvements (\$0.7 million), and various roadway, median, and park improvements (\$0.9 million).
- Business-type activities net capital assets decreased overall by \$6.2 million in FY 2020/21. Additions in capital assets of \$3.3 million were offset by \$9.5 million from depreciation. Current year capital assets activity included:
 - Additions to construction in progress projects totaled \$2.9 million and included \$0.8 million for the Nevada Street water improvement project, \$0.6 million for the Lift Station 7 and 8 ventilation and lighting improvement project, \$0.5 million for the PFAS Treatment and wells rehab project, \$0.4 million for risk and resilience assessment and water quality/capacity evaluations, \$0.2 million in bridge improvements, \$0.2 million for the Water and Sewer SCADA Update, and \$0.2 million in water infrastructure repair and replacements.
 - The following completed construction in progress projects totaled \$2.4 million and were added to the City's infrastructure during the fiscal year: Water tank corrosion repair (\$2.2 million) and Bridge improvements (\$0.2 million).

For the government-wide financial statements presentation, all depreciable capital assets are depreciated from their acquisition date over their useful lives. Governmental Fund financial statements report capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes in FY 2020/21.

City of Pleasanton							
Capital Assets							
(net of depreciation, in millions of dollars)							
	Governmental		Business-type		Total		Increase/ (Decrease)
	activities		activities		Total		(Decrease)
	2020	2021	2020	2021	2020	2021	% Change
Infrastructure	\$ 112.9	\$ 114.2	\$ 119.7	\$ 113.3	\$ 232.6	\$ 227.5	-2.2%
Land	246.7	246.7	14.5	14.5	261.2	261.2	0.0%
Right-of-ways	36.3	36.3	-	-	36.3	36.3	0.0%
Buildings	52.5	54.5	18.0	19.4	70.5	73.9	4.8%
Improvements other than buildings	28.7	27.8	8.7	7.2	37.4	35.0	-6.4%
Vehicles & equipment	13.1	12.5	7.6	7.3	20.7	19.8	-4.3%
Public Art	0.8	0.8	-	-	0.8	0.8	0.0%
Construction in progress	8.1	9.3	3.8	4.3	11.9	13.6	14.3%
Total	\$ 499.1	\$ 502.1	\$ 172.3	\$ 166.0	\$ 671.4	\$ 668.1	-0.5%

Additional information about the City's capital assets can be found in *Note 5* in the **Notes to Basic Financial Statements**.

Debt Administration

Governmental activities debt decreased by \$226,406 to \$968,182 in FY 2020/21.

- The City's loan from the California Energy Commission for the LED Lighting Upgrade project decreased by \$186,406 from the normal amortization of the loan payable.
- During the year, the City made an annual payment on the HUD Section 108 loan of \$40,000 to bring the remaining balance to \$686,000.

Debt of the business-type activities decreased by \$0.4 million to \$14.0 million in FY 2020/21. The following is a summary of the City's business-type long-term debt.

- Lease payments of \$0.1 million were made on the Golf Course Capital Lease debt.
- The City's loan from the California Clean Water State Revolving Fund (SRF) for the Recycled Water Infrastructure Expansion project increased by \$0.5 million. The amount includes additional loan proceeds due to the final closeout of the recycled water project at the end of FY 2019/20, less amounts paid from the normal amortization of the loan payable.
- Debt service payments of \$0.9 million were made on the Water Revenue Bonds, Series 2017 bonds during FY 2020/21. The bonds assist with the City's participation in the DERWA facilities expansion project that is needed to meet recycled water demands throughout the City.
- Debt incurred in FY 2019/20 by the golf course of a \$0.3 million loan from the federal government under the Paycheck Protection Program (PPP) has remained the same. The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to assist businesses in staying afloat

during the COVID-19 Pandemic. On August 25, 2021, the total proceeds of the PPP Loan were forgiven as authorized by Section 1106 of the CARES Act. Therefore, the entire balance will be included as income for FY 2021/22.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2020 and 2021:

**City of Pleasanton
Long Term Debt Outstanding**

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
California Energy Commission (CEC)	\$ 468,588	\$ 282,182	\$ -	\$ -	\$ 468,588	\$ 282,182
HUD Section 108 Loan	726,000	686,000	-	-	726,000	686,000
Golf Course Capital Lease	-	-	132,612	56,665	132,612	56,665
Golf Course Note Payable	-	-	291,667	291,667	291,667	291,667
California Clean Water SRF Loan	-	-	9,379,766	9,917,013	9,379,766	9,917,013
Water Revenue Bonds, Series 2017	-	-	4,600,000	3,720,000	4,600,000	3,720,000
TOTAL	\$ 1,194,588	\$ 968,182	\$14,404,045	\$13,985,345	\$15,598,633	\$14,953,527

Additional information about the City’s long-term obligations can be found in *Note 6* in the **Notes to Basic Financial Statements**.

ECONOMIC FACTORS, FY 2021/22 - FY 2022/23 BUDGET, AND CALPERS PENSION RATES

Overall, the General Fund Budget anticipates modest revenue growth that will enable to City to continue to provide valuable services to the community while allocating between \$2.5 and \$5 million each annually to the City’s CIP and Repair and Replacement funds that furthers investments in the City’s infrastructure and facilities and maintains reserves at levels consistent with the City’s policy all of which are the City’s primary priorities when developing the budget. However, staff does not anticipate General Fund revenues to recover to their pre-COVID levels within the next two years. Fortunately, the American Rescue Plan allocates approximately \$8.5 million to the City of Pleasanton that can be used to off-set revenue losses incurred as a result of the COVID-19 related restrictions. The General Fund budget allocates that \$8.5 million equally between the two fiscal years.

While the financial stability of the City is relatively sound for the next two fiscal years, there are a couple of trends that could adversely affect the City’s fiscal health in subsequent years. It is unclear when business travel and therefore the City’s Transient Occupancy Taxes, will recover to pre-pandemic levels. Transient Occupancy Taxes were \$6.5 million pre-pandemic and have now ended FY 2020/21 with only \$2.7 million will recover to pre-pandemic levels. The City’s increasing pension expenses through FY 2029/30 are also putting pressure on the City’s ability to balance future budgets. The City has plans to address these fiscal challenges both in terms of economic development and a plan to address revenue losses should the City’s revenues take more than two years to fully recover.

Pleasanton’s economy faltered during the pandemic but is showing signs of improvement. The local unemployment rate stood at 5.1 percent through June 2021, a decrease from June 2020 when it was 9.3 percent. Pleasanton’s housing values continue to increase – the median home in Q4 of 2020/21 was \$1.6 million, which is 33 percent greater than Q4 of 2019/20.

Class A office space has been affected by pandemic restrictions far greater than Class B or flex sectors, as service companies continue to work remotely. As a result, vacancy rates in Pleasanton increased four percent from a year earlier to 13.5 percent in the first few months of 2021 as employers reduced their footprint or vacated space entirely. Despite the impacts and challenges, Pleasanton and the Tri-Valley continue to be a highly desirable Bay Area submarket for a breadth of industry sectors given its competitive pricing for high-quality space combined with connections to an experienced professional and technical talent pool.

The Johnson Drive Economic Development Zone (JDEDZ) approved by City Council on February 4, 2020, changed General Plan land use designations and zoning to spur investment in 40 acres of mostly underutilized land primarily fronting Johnson Drive near Interstate 680 (I-680) and Stoneridge Drive. Costco Wholesale Corporation and a hotel developer have each acquired land in the JDEDZ to locate a Costco warehouse and two all-suites hotels. The two hotels and Costco are expected to be constructed and operational by March of 2023.

The required contribution rates as a percentage of payroll for the City’s employer share of retirement funding will change effective July 1, 2021, to the following:

July 1, 2021

- Miscellaneous Plan 12.54% *
- Safety Fire Plan 19.17% *
- Safety Police Plan (pooled) 23.71% (1st Tier) *
20.64% (2nd Tier)
13.13% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$7,724,200 (25.1 percent of projected covered payroll) for the Miscellaneous Plan, \$6,403,372 (38.9 percent of projected covered payroll) for the Safety Fire Plan, and \$3,273,296 (28.2 percent of projected covered payroll) for the Safety Police Plan.

July 1, 2020

- Miscellaneous Plan 12.922% *
- Safety Fire Plan 20.014% *
- Safety Police Plan (pooled) 23.674% (1st Tier) *
20.585% (2nd Tier)
13.044% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$6,805,251 (22.724 percent of projected covered payroll) for the Miscellaneous Plan, \$5,986,881 (38.5 percent of projected covered payroll) for the Safety Fire Plan, and \$2,777,359 (26.2 percent of projected covered payroll) for the Safety Police Plan.

REQUEST FOR INFORMATION

This financial report is designed to provide our residential and business community, taxpayers, customers, investors, and creditors with a general overview of the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, California 94566.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF PLEASANTON

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments (Note 2)	\$ 169,894,582	\$ 60,623,418	\$ 230,518,000
Restricted cash and investments (Note 2)	47,928,827	438,935	48,367,762
Receivables (net):			
Accounts	7,316,177	8,872,882	16,189,059
Taxes	6,936,238	-	6,936,238
Grants	459,699	-	459,699
Interest	2,349,398	180,874	2,530,272
Lease	254,328	-	254,328
Internal balances (Note 1h)	1,653,552	(1,653,552)	-
Inventory and prepaid expenses	-	108,891	108,891
Notes and loans receivable (Note 3)	24,397,336	-	24,397,336
Net investment in LAVWMA (Note 8c)	-	16,414,412	16,414,412
Total current assets	261,190,137	84,985,860	346,175,997
Noncurrent assets:			
Capital assets (Note 5):			
Nondepreciable	293,171,870	18,788,398	311,960,268
Depreciable, net	208,926,661	147,175,163	356,101,824
Total noncurrent assets	502,098,531	165,963,561	668,062,092
Total Assets	763,288,668	250,949,421	1,014,238,089
Deferred Outflows of Resources:			
Related to pensions (Note 10)	24,730,599	1,505,519	26,236,118
Related to OPEB (Note 11)	4,622,053	460,947	5,083,000
Total Deferred Outflows of Resources	29,352,652	1,966,466	31,319,118
Liabilities:			
Current liabilities:			
Accounts payable	8,165,685	10,390,691	18,556,376
Payroll payable	2,109,327	247,935	2,357,262
Refundable deposits	1,497,380	587,557	2,084,937
Unearned revenue	4,374,725	667,510	5,042,235
Compensated absences - due within one year (Note 1k)	1,529,337	-	1,529,337
Long-term debt - due within one year (Note 6)	238,275	1,374,921	1,613,196
Claims liability - due within one year (Note 7)	1,627,217	-	1,627,217
Total current liabilities	19,541,946	13,268,614	32,810,560
Noncurrent liabilities - due in more than one year:			
Compensated absences (Note 1k)	3,637,579	-	3,637,579
Long-term debt (Note 6)	729,907	12,610,424	13,340,331
Claims liability (Note 7)	7,594,044	-	7,594,044
Net deficit in LPFD (Note 8g)	44,265,779	-	44,265,779
Net pension liability (Note 10)	134,502,115	10,477,316	144,979,431
Net OPEB liability (Note 11)	29,305,435	2,922,565	32,228,000
Total noncurrent liabilities	220,034,859	26,010,305	246,045,164
Total Liabilities	239,576,805	39,278,919	278,855,724
Deferred Inflows of Resources:			
Related to pensions (Note 10)	4,436,101	23,812	4,459,913
Related to OPEB (Note 11)	8,493,012	846,988	9,340,000
Total Deferred Inflows of Resources	12,929,113	870,800	13,799,913
Net Position:			
Net investment in capital assets	501,130,349	152,269,883	653,400,232
Restricted for:			
Pension funding	47,928,827	-	47,928,827
Capital projects	41,204,526	-	41,204,526
Transportation	-	294,873	294,873
Special projects	21,949,444	-	21,949,444
Community development projects	11,160,053	-	11,160,053
Unrestricted	(83,237,797)	60,201,412	(23,036,385)
Total Net Position	\$ 540,135,402	\$ 212,766,168	\$ 752,901,570

CITY OF PLEASANTON

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 16,669,694	\$ 1,850,615	\$ 2,062,544	\$ -
Public safety	57,790,167	1,697,967	1,099,851	158,486
Community development	27,169,629	6,908,248	5,082,955	3,635,931
Operations services	31,508,267	470,214	432,488	5,888,124
Community activities	12,686,876	1,391,682	65,917	37,688
Interest on long-term debt	25,109	-	-	-
Total Governmental Activities	145,849,742	12,318,726	8,743,755	9,720,229
Business-Type Activities:				
Water	32,013,503	32,117,734	-	-
Sewer	17,080,279	15,785,961	-	-
Golf	5,110,481	4,534,434	-	-
Storm Drain	2,433,953	525,758	-	-
Transit	421,539	13,493	451,879	-
Cemetery	289,197	227,259	-	-
Total Business-Type Activities	57,348,952	53,204,639	451,879	-
Total Primary Government	\$ 203,198,694	\$ 65,523,365	\$ 9,195,634	\$ 9,720,229

General Revenues:

Taxes:

- Property
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Transient occupancy taxes
- Other taxes
- Use of money and property
- Miscellaneous
- Gain (loss) on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (12,756,535)	\$ -	\$ (12,756,535)
(54,833,863)	-	(54,833,863)
(11,542,495)	-	(11,542,495)
(24,717,441)	-	(24,717,441)
(11,191,589)	-	(11,191,589)
(25,109)	-	(25,109)
(115,067,032)	-	(115,067,032)
-	104,231	104,231
-	(1,294,318)	(1,294,318)
-	(576,047)	(576,047)
-	(1,908,195)	(1,908,195)
-	43,833	43,833
-	(61,938)	(61,938)
-	(3,692,434)	(3,692,434)
(115,067,032)	(3,692,434)	(118,759,466)
77,667,357	-	77,667,357
21,883,038	-	21,883,038
2,941,829	-	2,941,829
4,870,543	-	4,870,543
2,014,843	-	2,014,843
1,285,625	-	1,285,625
9,262,172	194,579	9,456,751
557,808	1,829,051	2,386,859
80,336	-	80,336
(520,103)	520,103	-
120,043,448	2,543,733	122,587,181
4,976,416	(1,148,701)	3,827,715
535,158,986	213,914,869	749,073,855
\$ 540,135,402	\$ 212,766,168	\$ 752,901,570

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, operations services and community activities.

Lower Income Housing Fund is a special revenue fund used to account for and report the proceeds of housing in-lieu fees paid by developers of residential, commercial, and office property, as well as revenue from the repayment of housing loans. These revenues are used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

Miscellaneous Capital Improvement Programs Fund is a capital projects fund that receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program.

CITY OF PLEASANTON

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Funds Lower Income Housing Fund	Capital Project Funds Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:					
Pooled cash and investments	\$ 24,715,344	\$ 10,944,058	\$ 20,085,206	\$ 77,610,677	\$ 133,355,285
Receivables:					
Accounts	3,956,301	248,546	1,741,708	1,348,768	7,295,323
Taxes	6,007,881	-	-	928,357	6,936,238
Notes and loans	15,007	20,131,290	17,719	4,233,320	24,397,336
Accrued interest	78,131	1,528,392	54,404	578,219	2,239,146
Grants	-	-	-	459,699	459,699
Due from other funds	1,808,872	-	-	-	1,808,872
Advances to other funds	500,000	-	-	-	500,000
Restricted assets:					
Cash and investments	18,566,741	-	-	-	18,566,741
Lease receivable	-	254,328	-	-	254,328
Total Assets	\$ 55,648,277	\$ 33,106,614	\$ 21,899,037	\$ 85,159,040	\$ 195,812,968
Liabilities:					
Accounts payable	\$ 4,016,753	\$ 57,486	\$ 456,537	\$ 2,230,983	\$ 6,761,759
Accrued liabilities	2,097,154	7,852	-	4,321	2,109,327
Unearned revenues	4,301,644	-	-	73,081	4,374,725
Deposits payable	1,497,380	-	-	-	1,497,380
Due to other funds	-	-	-	1,782,093	1,782,093
Advances from other funds	-	-	-	581,955	581,955
Total Liabilities	11,912,931	65,338	456,537	4,672,433	17,107,239
Deferred Inflows of Resources:					
Unavailable revenues	-	21,881,222	17,719	4,576,589	26,475,530
Total Deferred Inflows of Resources	-	21,881,222	17,719	4,576,589	26,475,530
Fund Balances:					
Nonspendable	515,007	-	-	-	515,007
Restricted	18,566,741	11,160,054	-	63,153,970	92,880,765
Assigned	-	-	21,424,781	13,453,462	34,878,243
Unassigned	24,653,598	-	-	(697,414)	23,956,184
Total Fund Balances	43,735,346	11,160,054	21,424,781	75,910,018	152,230,199
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 55,648,277	\$ 33,106,614	\$ 21,899,037	\$ 85,159,040	\$ 195,812,968

CITY OF PLEASANTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-
WIDE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Fund balances of governmental funds	\$ 152,230,199
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	490,206,048
Notes and lease receivables are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the fund financial statements.	26,475,530
Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/ renovation and self-insurance programs to individual departments or to other governments. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the Statement of Net Position.	(83,542,414)
Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the Governmental Fund Financial Statements:	
Note payable to California Energy Commission	(282,182)
HUD Section 108 Loan	(686,000)
Net investment (deficit) in LPFD	(44,265,779)
Net Position of Governmental Activities	<u>\$ 540,135,402</u>

CITY OF PLEASANTON

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
		Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund		
Revenues:					
Taxes	\$ 108,256,799	\$ -	\$ -	\$ -	\$ 108,256,799
Assessments	-	-	-	218,366	218,366
Licenses and permits	3,105,893	-	-	-	3,105,893
Intergovernmental	271,907	-	4,009,734	8,934,778	13,216,419
Franchises	2,941,829	-	-	-	2,941,829
Charges for services	1,189,702	-	-	-	1,189,702
Use of money and property	1,118,818	1,084,794	29,464	242,062	2,475,138
Fines and forfeitures	168,070	-	-	1,500	169,570
Plan check fees	1,902,418	-	-	-	1,902,418
Contributions	2,223,152	-	-	51,792	2,274,944
Developer participation	387,766	837,895	-	696,648	1,922,309
Miscellaneous	5,017,715	70,291	11,991	742,015	5,842,012
Total Revenues	126,584,069	1,992,980	4,051,189	10,887,161	143,515,399
Expenditures:					
Current:					
General government	15,852,825	-	-	1,173	15,853,998
Public safety	51,978,681	-	-	94,887	52,073,568
Community development	16,576,224	1,190,131	4,553,411	2,328,520	24,648,286
Operations services	20,130,505	-	-	571,713	20,702,218
Community activities	10,293,442	-	-	93,499	10,386,941
Capital outlay	558,500	-	1,427,138	15,790,771	17,776,409
Debt service:					
Principal	-	-	186,406	40,000	226,406
Interest	-	-	4,222	20,887	25,109
Total Expenditures	115,390,177	1,190,131	6,171,177	18,941,450	141,692,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,193,892	802,849	(2,119,988)	(8,054,289)	1,822,464
Other Financing Sources (Uses):					
Transfers in (Note 4)	1,290,641	-	5,401,146	4,117,355	10,809,142
Transfers out (Note 4)	(6,023,592)	-	(1,191,529)	(2,147,988)	(9,363,109)
Total Other Financing Sources (Uses)	(4,732,951)	-	4,209,617	1,969,367	1,446,033
Net Change in Fund Balances	6,460,941	802,849	2,089,629	(6,084,922)	3,268,497
Fund Balances, Beginning of Year	37,274,405	10,357,205	19,335,152	81,994,940	148,961,702
Fund Balances, End of Year	\$ 43,735,346	\$ 11,160,054	\$ 21,424,781	\$ 75,910,018	\$ 152,230,199

CITY OF PLEASANTON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds	\$	3,268,497
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:		
Governmental funds report acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets were allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$	16,811,214
Retirements		(16)
Depreciation (net of internal service funds of \$2,077,042)		<u>(12,993,945)</u>
		3,817,253
Loans receivable are not considered available revenue and are classified as deferred inflows of resources in the governmental funds.		
		963,492
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Position.		
Principal repayments:		
Note payable to California Energy Commission		186,406
HUD Section 108 Loan		40,000
Losses in the equity investment in LPFD is an expenditure in the governmental funds, but the losses increase the net investment deficit in the Statement of Net Position.		
		(1,567,107)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of net position.		
		<u>(1,732,125)</u>
Change in Net Position of Governmental Activities	\$	<u>4,976,416</u>

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PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund – accounts for the operation and maintenance of the City’s water utility, a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

Sewer Fund – accounts for the operation and maintenance of the City’s sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

Golf Fund – accounts for the daily operation and maintenance of the City’s golf course, Callippe Preserve Golf Course. The City currently contracts with Pleasanton Golf, LLC (CourseCo, Inc.) to manage and maintain the golf course and its facilities. This fund also accounts for golf course capital assets, accumulation of funds for payment of golf debt service, and reimbursement for infrastructure expenses necessitated by the development of the golf course.

Storm Drain Fund – accounts for the operation and maintenance of the City’s storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in fiscal year 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City’s storm drain system.

CITY OF PLEASANTON

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
Assets:				
Current:				
Cash and investments (Note 2)	\$ 31,834,863	\$ 25,127,394	\$ 1,184,642	\$ 998,404
Restricted cash (Note 2)	438,935	-	-	-
Receivables (net):				
Accounts	5,806,013	2,944,419	17,727	2,889
Interest	92,911	82,646	1,381	872
Inventory and prepaid expenses	-	-	108,891	-
Total Current Assets	38,172,722	28,154,459	1,312,641	1,002,165
Noncurrent:				
Net investment in joint venture (Note 8c)	-	16,414,412	-	-
Advances to other funds (Note 4)	-	-	-	-
Capital assets (Note 5):				
Nondepreciable	3,827,348	2,346,904	12,434,327	118,069
Depreciable, net	78,269,550	39,698,660	8,558,893	19,743,530
Total Noncurrent Assets	82,096,898	58,459,976	20,993,220	19,861,599
Total Assets	120,269,620	86,614,435	22,305,861	20,863,764
Deferred Outflows of Resources:				
Related to pensions (Note 10)	969,872	379,974	-	155,673
Related to OPEB (Note 11)	310,759	112,402	-	37,786
Total Deferred Outflows of Resources	1,280,631	492,376	-	193,459
Liabilities:				
Current:				
Accounts payable	6,531,937	3,421,754	338,183	42,401
Payroll payable	152,237	69,597	-	22,413
Advances from other funds (Note 4)	-	-	-	-
Refundable deposits	312,985	-	274,572	-
Unearned revenues	-	-	359,950	-
Due to other funds (Note 4)	-	-	-	-
Accrued compensated absences (Note 1k)	-	-	-	-
Claims payable (Note 7)	-	-	-	-
Capital lease payable (Note 6b)	-	-	23,656	-
Loan payable (Note 6b)	339,255	-	112,010	-
Bonds payable (Note 6b)	900,000	-	-	-
Total Current Liabilities	8,236,414	3,491,351	1,108,371	64,814
Noncurrent:				
Accrued compensated absences (Note 1k)	-	-	-	-
Claims payable (Note 7)	-	-	-	-
Capital leases payable (Note 6b)	-	-	33,009	-
Loan payable (Note 6b)	9,577,758	-	179,657	-
Bonds payable (Note 6b)	2,820,000	-	-	-
Net pension liability (Note 10)	6,749,605	2,644,339	-	1,083,372
Net OPEB liability (Note 11)	1,970,322	712,667	-	239,576
Total Noncurrent Liabilities	21,117,685	3,357,006	212,666	1,322,948
Total Liabilities	29,354,099	6,848,357	1,321,037	1,387,762
Deferred Inflows of Resources:				
Related to pensions (Note 10)	15,340	6,010	-	2,462
Related to OPEB (Note 11)	571,019	206,538	-	69,431
Total Deferred Inflows of Resources	586,359	212,548	-	71,893
Net Position:				
Net investment in capital assets	68,459,885	42,045,564	20,936,555	19,861,599
Restricted	-	-	-	-
Unrestricted	23,149,908	38,000,342	48,269	(264,031)
Total Net Position	\$ 91,609,793	\$ 80,045,906	\$ 20,984,824	\$ 19,597,568

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with the business-type activities.

Net Position per Statement of Net Position - Proprietary Funds

Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds

Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds

Net Position per Statement of Net Position

<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
<u>Other Non-major Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 1,478,115	\$ 60,623,418	\$ 36,539,297
-	438,935	29,362,086
101,834	8,872,882	20,854
3,064	180,874	110,252
-	108,891	-
1,583,013	70,225,000	66,032,489
-	16,414,412	-
-	-	581,955
61,750	18,788,398	841,614
904,530	147,175,163	11,050,869
966,280	182,377,973	12,474,438
2,549,293	252,602,973	78,506,927
-	1,505,519	24,730,599
-	460,947	4,622,053
-	1,966,466	29,352,652
56,416	10,390,691	1,403,926
3,688	247,935	-
500,000	500,000	-
-	587,557	-
307,560	667,510	-
26,779	26,779	-
-	-	1,529,337
-	-	1,627,217
-	23,656	-
-	451,265	-
-	900,000	-
894,443	13,795,393	4,560,480
-	-	3,637,579
-	-	7,594,044
-	33,009	-
-	9,757,415	-
-	2,820,000	-
-	10,477,316	134,502,115
-	2,922,565	29,305,435
-	26,010,305	175,039,173
894,443	39,805,698	179,599,653
-	23,812	4,436,101
-	846,988	8,493,012
-	870,800	12,929,113
966,280	152,269,883	11,892,483
294,873	294,873	29,362,086
393,697	61,328,185	(125,923,756)
\$ 1,654,850	\$ 213,892,941	\$ (84,669,187)
	\$ 213,892,941	
	(580,204)	
	(546,569)	
	\$ 212,766,168	

CITY OF PLEASANTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf	Storm Drain
Operating Revenues:				
Charges for services	\$ 32,117,734	\$ 15,785,961	\$ 4,534,434	\$ 525,758
Miscellaneous	785,200	1,568	-	225,463
Total Operating Revenues	32,902,934	15,787,529	4,534,434	751,221
Operating Expenses:				
Personnel services	4,732,533	1,632,456	-	663,615
Transportation	66,787	27,357	-	1,510
Repairs and maintenance	534,358	123,426	560,263	29,639
Materials, supplies and services	22,100,252	12,334,699	3,022,014	535,162
Depreciation (Note 5)	4,041,857	2,824,260	1,534,900	1,126,666
Total Operating Expenses	31,475,787	16,942,198	5,117,177	2,356,592
Operating Income (Loss)	1,427,147	(1,154,669)	(582,743)	(1,605,371)
Nonoperating Revenues (Expenses):				
Grants	70,022	-	-	-
Intergovernmental	-	-	-	-
Interest income	104,331	89,203	1,255	(4,654)
Interest (expense)	(184,815)	-	(3,253)	-
Gain (loss) on disposal of capital assets	-	-	-	-
Equity interest in gain from joint ventures	-	740,798	-	-
Total Nonoperating Revenues (Expenses)	(10,462)	830,001	(1,998)	(4,654)
Income (Loss) Before Transfers	1,416,685	(324,668)	(584,741)	(1,610,025)
Capital contributions received	-	6,000	-	-
Transfers in	329,773	123,753	-	800,000
Transfers out	-	-	(800,000)	-
Changes in Net Position	1,746,458	(194,915)	(1,384,741)	(810,025)
Net Position:				
Beginning of Year	89,863,335	80,240,821	22,369,565	20,407,593
End of Fiscal Year	\$ 91,609,793	\$ 80,045,906	\$ 20,984,824	\$ 19,597,568

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues,
 Expenses and Changes in Fund Net Position - Proprietary Funds

Adjustment to reflect the consolidation of current fiscal year
 internal service funds activities related to enterprise funds

Changes in Net Position of Business-Type Activities per Statement of Activities

Business-Type Activities - Enterprise Funds		Governmental Activities
Other Non-major Enterprise Funds	Total	Internal Service Funds
\$ 240,752	\$ 53,204,639	\$ 8,990,281
-	1,012,231	225
240,752	54,216,870	8,990,506
290,280	7,318,884	8,881,268
2,340	97,994	-
19,545	1,267,231	325,640
363,884	38,356,011	4,689,079
46,512	9,574,195	2,274,447
722,561	56,614,315	16,170,434
(481,809)	(2,397,445)	(7,179,928)
61,860	131,882	-
390,019	390,019	-
4,444	194,579	6,787,034
-	(188,068)	-
-	-	80,336
-	740,798	-
456,323	1,269,210	6,867,370
(25,486)	(1,128,235)	(312,558)
-	6,000	-
66,577	1,320,103	1,350,000
-	(800,000)	(3,316,136)
41,091	(602,132)	(2,278,694)
1,613,759	214,495,073	(82,390,493)
\$ 1,654,850	\$ 213,892,941	\$ (84,669,187)
	\$ (602,132)	
	(546,569)	
	<u>\$ (1,148,701)</u>	

CITY OF PLEASANTON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Storm Drain</u>
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 33,520,407	\$ 15,686,642	\$ 4,627,906	\$ 752,983
Cash payments to suppliers	(21,997,039)	(12,475,054)	(3,517,960)	(643,487)
Cash payments to or on behalf of employees	(4,639,492)	(1,899,040)	-	(561,502)
Claims paid	-	-	-	-
Net Cash Provided (Used) by Operating Activities	6,883,876	1,312,548	1,109,946	(452,006)
Cash Flows from Non-Capital Financing Activities:				
Interfund receipts	329,773	123,753	-	800,000
Interfund payments	-	-	(800,000)	-
Repayment made to other funds	-	-	-	-
Intergovernmental receipts	-	-	-	-
Other revenue	551,107	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	880,880	123,753	(800,000)	800,000
Cash Flows from Capital and Related Financing Activities:				
Proceeds from capital debt	841,578	-	-	-
Acquisition of capital assets	(2,389,987)	(784,283)	-	(94,022)
Principal payments on capital debt	(1,184,331)	-	(75,947)	-
Interest paid on capital debt	(184,814)	-	(3,254)	-
Cash contribution	-	6,000	-	-
Proceeds from funds held in trust	-	-	-	(85,874)
Proceeds from sales of capital assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,917,554)	(778,283)	(79,201)	(179,896)
Cash Flows from Investing Activities:				
Investment income	146,929	128,493	48,906	(1,999)
Net Cash Provided by Investing Activities	146,929	128,493	48,906	(1,999)
Net Increase (Decrease) in Cash and Cash Equivalents	4,994,131	786,511	279,651	166,099
Cash and Cash Equivalents at Beginning of Year	27,279,667	24,340,883	904,991	832,305
Cash and Cash Equivalents at End of Year	\$ 32,273,798	\$ 25,127,394	\$ 1,184,642	\$ 998,404
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,427,147	\$ (1,154,669)	\$ (582,743)	\$ (1,605,371)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4,041,857	2,824,260	1,534,900	1,126,666
Changes in pension related items	294,501	111,989	-	45,971
Changes in OPEB related items	(231,816)	(354,328)	-	(27,280)
(Increase) decrease in accounts receivable, net	573,828	(100,887)	(814)	1,762
(Increase) decrease in inventory and prepaids	-	-	18,064	-
Increase (decrease) in accounts payable and other accrued expenses	704,358	(42,394)	46,253	(2,137)
Increase (decrease) in accrued liabilities	30,356	28,577	-	8,383
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in deposits payable	43,645	-	57,866	-
Increase (decrease) in unearned revenue	-	-	36,420	-
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in employee benefits payable	-	-	-	-
Total Adjustments	5,456,729	2,467,217	1,692,689	1,153,365
Net Cash Provided (Used) by Operating Activities	\$ 6,883,876	\$ 1,312,548	\$ 1,109,946	\$ (452,006)
Non-Cash Investing, Capital, and Financing Activities:				
(Loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Business-Type Activities - Enterprise Funds		Governmental Activities	
Other Non-major Enterprise Funds	Total	Internal Service Funds	
\$ 307,613	\$ 54,895,551	\$ 9,001,836	
(421,669)	(39,055,209)	(5,969,312)	
(220,159)	(7,320,193)	(4,422,991)	
	-	(351,722)	
(334,215)	8,520,149	(1,742,189)	
66,577	1,320,103	218,000	
-	(800,000)	(2,184,136)	
7,185	7,185	-	
451,879	451,879	-	
-	551,107	-	
525,641	1,530,274	(1,966,136)	
-	841,578	-	
-	(3,268,292)	(1,490,975)	
-	(1,260,278)	-	
-	(188,068)	-	
-	6,000	-	
-	(85,874)	-	
-	-	80,336	
-	(3,954,934)	(1,410,639)	
5,612	327,941	6,868,480	
5,612	327,941	6,868,480	
197,038	6,423,430	1,749,516	
1,281,077	54,638,923	64,151,867	
\$ 1,478,115	\$ 61,062,353	\$ 65,901,383	
\$ (481,809.00)	\$ (2,397,445)	\$ (7,179,928)	
46,510	9,574,193	2,274,447	
-	452,461	7,634,935	
-	(613,424)	(2,854,703)	
(18,657)	455,232	11,330	
-	18,064	-	
-	706,080	(1,573,091)	
39,989	107,305	-	
(5,766)	(5,766)	-	
-	101,511	-	
85,518	121,938	-	
-	-	(321,084)	
-	-	265,905	
147,594	10,917,594	5,437,739	
\$ (334,215)	\$ 8,520,149	\$ (1,742,189)	
\$ -	\$ -	\$ 80,336	

See Notes to Financial Statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

Private-Purpose Trust Funds – accounts for the Pleasanton Township County Water District (P.T.C.W.D.) #3 Trust Fund. The Trust received money in 1973 from the P.T.C.W.D. #3 and the funds may be used in the future to maintain the private road that serves the City's water tanks.

Custodial Funds - Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

CITY OF PLEASANTON

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Private - Purpose Trust Fund	Custodial Funds
Assets:		
Pooled cash and investments	\$ 375,141	\$ 9,293,052
Receivables:		
Accounts	5,550	91,211
Taxes	-	354,917
Accrued interest	1,222	27,799
Total Assets	381,913	9,766,979
Liabilities:		
Accounts payable	30	1,058,456
Long-term liabilities:		
Due in one year		
Claims liabilities	-	1,706,000
Due in more than one year		
Claims liabilities	-	7,572,000
Total Liabilities	30	10,336,456
Net Position:		
Restricted for other government agencies	381,883	149,876
Restricted for retiree insurance	-	16,757
Restricted for Pleasanton Downtown Association	-	43,414
Restricted for Livermore Share	-	(779,524)
Total Net Position	\$ 381,883	\$ (569,477)

CITY OF PLEASANTON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Private - Purpose Trust Fund	Custodial Funds
Additions:		
Contributions:		
Retired employees	\$ -	\$ 610,553
Taxes	-	73,518
Intergovernmental	-	10,187,450
Interest and change in fair value of investments	1,126	59,360
Miscellaneous	1,125	21,001
	<u>2,251</u>	<u>10,951,882</u>
Total Additions	2,251	10,951,882
Deductions:		
Retiree benefits	-	607,045
Contractual services	21,462	7,776,228
	<u>21,462</u>	<u>8,383,273</u>
Total Deductions	21,462	8,383,273
Changes in Fiduciary Net Position	(19,211)	2,568,609
Net Position		
Beginning of the Year, as originally reported	401,094	-
Restatement	-	(3,138,086)
	<u>401,094</u>	<u>(3,138,086)</u>
Beginning of the Year, as restated	401,094	(3,138,086)
End of the Year	\$ 381,883	\$ (569,477)

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CITY OF PLEASANTON

**INDEX TO NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

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

a. Reporting Entity

The City of Pleasanton (City) was incorporated on June 18, 1894, and operates under a Council-Manager form of government. The City Council consists of five elected members. The following services are provided by the City to its citizens: police, fire, operations services, water, sewer, economic development, parks and recreation, planning and community development, general administration, library, golf and cemetery.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units of the City as the component units' governing bodies are the same as the governing body of the City and management of the primary government has operational responsibility for the component units:

Housing Authority of the City of Pleasanton, California (Housing Authority) - The Housing Authority was established in 1943. The purpose of the Housing Authority is to advocate for housing units and services for low and moderate income families. In accordance with Section 2.36 of the Municipal Code, the Pleasanton City Council serves as the Board of Directors for the Housing Authority of the City of Pleasanton.

Pleasanton Joint Powers Financing Authority - In June 1993, the Pleasanton Joint Powers Financing Authority (PJFPA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJFPA is a blended component unit of the City and the financial operations of the PJFPA are included in the City of Pleasanton's financial statements.

b. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities and Changes in Net Position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 90 days after year-end, with the exception of property tax for which the accrual period is 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

The City reports the following major governmental funds:

The *General Fund* – is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, operations services and community activities.

The *Lower Income Housing Fund* – is a special revenue fund used to account for and report the proceeds of housing in-lieu fees paid by developers of residential, commercial, and office property, as well as revenue from the repayment of housing loans. These revenues are used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City’s General Plan.

The *Miscellaneous Capital Improvement Programs Fund* – is a capital projects fund that receives contributions from the General Fund to be used for the purchase of equipment or the construction of facilities as adopted in the annual miscellaneous capital improvement program.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the government-wide financial statements as appropriate.

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

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

The City reports the following major enterprise funds:

The *Water Fund* – accounts for the operation and maintenance of the City’s water utility, a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

The *Sewer Fund* – accounts for the operation and maintenance of the City’s sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

The *Golf Fund* – accounts for the daily operation and maintenance of the City’s golf course, Callippe Preserve Golf Course. The City currently contracts with Pleasanton Golf, LLC (CourseCo, Inc.) to manage and maintain the golf course and its facilities. This fund also accounts for golf course capital assets, accumulation of funds for payment of golf debt service, and reimbursement for infrastructure expenses necessitated by the development of the golf course.

The *Storm Drain Fund* – accounts for the operation and maintenance of the City’s storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in fiscal year 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City’s storm drain system.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The City also reports the following types of funds:

Internal Service Funds – account for the City’s employee benefits, public art acquisition and maintenance, equipment replacement and renovations provided to City departments or to other governments, and self-insurance programs – workers’ compensation and general liability on a cost-reimbursement basis.

Fiduciary Fund Financial Statement

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent custodial funds and a private purpose trust fund. Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement. The private purpose trust fund is accounted for using the economic resources measurement focus. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

The Private-Purpose Trust Funds – accounts for the P.T.C.W.D. #3 Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds may be used in the future to maintain the private road that serves the City’s water tanks.

The Custodial Funds – report fiduciary activities that are not held in a trust or equivalent arrangement.

c. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California which invests a portion of the pooled funds in Structured Notes and Asset-backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk due to change in interest rates.

For purposes of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

d. Restricted Cash and Investments

Restricted cash and investments include amounts held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects, for deposits held for others within the enterprise funds, and for amounts held in an irrevocable trust for pension activities.

e. Receivables

During the course of normal operations, the City carries various receivable balances that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments. The City maintains allowances for doubtful accounts of \$46,866 in the Water Fund and \$109,354 in the Sewer Fund.

f. Notes Receivable

For the purposes of the governmental fund financial statements, expenditures related to long-term notes arising from subsidy programs are charges to operations upon funding and the notes are recorded with an offset to an unavailable revenue account under the deferred inflows of resources section. For the purposes of the government-wide financial statements, long-term loans are not offset by unavailable revenue accounts.

g. Deferred Inflows/Outflows of Resources

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

h. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. 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 funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Advances between funds, reported in the fund financial statements, are classified as nonspendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

i. Inventory

Inventory held for resale at the City's Callippe Golf Course is valued at the lower of cost or market; cost is determined using the moving average costing method for the golf shop merchandise. Inventory supplies at the golf course restaurant is valued at cost, using the first-in first-out costing method.

j. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000, for CIP projects at \$50,000, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000. All streetlights and traffic signals are included. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Machinery and Equipment	5-20 years
Infrastructure	20-40 years
Buildings and Improvements	20-50 years

The City has included the value of all infrastructure in the current Basic Financial Statements. Capital assets that meet the definition of a major infrastructure network or extend the life of existing infrastructure networks are capitalized as infrastructure. Infrastructure networks include: roads, bridges, water, sewer, drainage systems and lighting systems.

k. Compensated Absences

Accumulated unpaid vacation and compensatory time is accrued in and liquidated from the Employee Benefits Internal Service Fund using the accrual basis of accounting. Sick leave with pay is granted to all eligible employees. Sick leave is not considered a right which employees may use at their discretion, but is allowed only for specific purposes as explained in the City's personnel policies. The City accrues accumulated unpaid compensated absences when earned by the employee.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

	Governmental Activities
Balance June 30, 2020	\$ 4,901,011
Additions	2,817,489
Payments	<u>2,551,584</u>
Balance June 30, 2021	<u>\$ 5,166,916</u>
Due within one year	<u>\$ 1,529,337</u>

The City records both an asset funded by the operating funds and a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves.

l. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the period in which they occur.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized when the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

n. Property Taxes

Property taxes are levied based on a fiscal year (July 1 – June 30). The property tax assessments are formally due on November 1 and February 1, and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective January 1 of the preceding year.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

o. Use of Restricted and Unrestricted Net Position/Fund Balance

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

p. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the disclosures of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

q. 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 GAAP. 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.

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

In FY 2020/21, the City of Pleasanton adopted the provisions of GASB Statement No. 84, Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with Custodial Funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Implementation of this guidance resulted in reclassification of several programs in governmental activities to fiduciary activities and the creation of additional funds to account for these programs. The change in accounting principle resulted in a prior period adjustment in the amount of (\$3,138,086) being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position.

In FY 2020/21, the City of Pleasanton adopted the provisions of GASB Statement No. 98, the Annual Comprehensive Financial Report. This statement establishes the annual comprehensive financial report and ACFR in generally accepted accounting principles (GAAP) for state and local governments and eliminates the prior name and acronym.

The following pronouncement has been postponed as a temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years:

GASB 87 – Leases – The requirements of this statement are effective for reporting periods beginning on or after June 15, 2021.

Note 2: Cash and Investments

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds.

The following is a summary of pooled cash and investments at June 30, 2021:

	Government - Wide		Fiduciary	Total
	Statement of Net Position		Funds	
	Governmental	Business Type	Statement of	
	Activities	Activities	Net Position	
Cash and Investments	\$ 169,894,582	\$ 60,623,418	\$ 9,668,193	\$ 240,186,193
Restricted Cash and Investments	47,928,827	438,935	-	48,367,762
Investments	\$ 217,823,409	\$ 61,062,353	\$ 9,668,193	\$ 288,553,955

Restricted Cash and Investments includes the \$47,928,827 PARS Trust, which is the City's Section 115 Pension Trust Fund (see Note 10a) and the \$438,935 debt service reserve related to the Water Revenue Bonds Series 2017 (see Note 6b).

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

At June 30, 2021, the City’s pooled cash and investments consisted of the following:

	Fair Value at June 30, 2021
Deposits:	
Cash on Hand	\$ 7,525
Restricted Cash	438,935
Deposits with Banks	<u>5,924,211</u>
Total Deposits	<u>6,370,671</u>
Investments	
US Government Agencies	153,652,664
Medium-Term Corporate Notes	52,586,722
Non-Negotiable Certificates of Deposit	1,024,210
California Local Agency Investment Fund	26,002,157
Supranationals	988,704
PARS Trust - Mutual Funds	<u>47,928,827</u>
Total Investments	<u>282,183,284</u>
Total City Treasury	<u>\$ 288,553,955</u>

a. Deposits

As of June 30, 2021, the book value of the City’s cash with banks and petty cash was \$6,370,671 and the associated bank balances were \$6,891,852. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$5,629,075 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks to secure a City’s deposits by pledging government securities with a value of 110 percent of a City’s deposits, or by pledging first trust deed mortgage notes having a value of 150 percent of a City’s total deposits.

b. Investments

Under the provisions of the City’s investment policy, and in accordance with Section 53601 of the California Government Code and Section 115 of the Internal Revenue Code, the City may invest or deposit in the following:

- Banker’s acceptances
- Commercial paper
- Local Agency Investment Fund
- Mutual funds
- Medium-term corporate notes
- Money market funds
- Negotiable certificates of deposit
- Repurchase agreements
- Securities of the Federal government or its agencies
- Supranational Organizations Securities
- PARS Section 115 Pension Trust Fund (See Note 10a)

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City’s investments be carried at fair value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in fair value at the fiscal year ended June 30, 2021, from the fiscal year ended June 30, 2020, amounted to an unrealized gain of \$914,565.

c. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2021, the City had the following investment maturities:

Investment Type	Investment Maturities		
	Less than a year	1 - 5 Years	Total
US Government Agencies			
Non-callable	\$ -	\$ 2,071,320	\$ 2,071,320
Callable	-	151,581,344	151,581,344
Medium-Term Corporate Notes	10,320,212	42,266,510	52,586,722
Non-Negotiable Certificates of Deposit	1,024,210	-	1,024,210
Supranationals	-	988,704	988,704
California Local Agency Investment Fund	26,002,157	-	26,002,157
PARS Section 115 Pension Trust Fund - Mutual Funds	47,928,827	-	47,928,827
Total	\$ 85,275,406	\$ 196,907,878	\$ 282,183,284

During the year, the City held callable notes. Callable notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Bank (FHLB). These securities could be called prior to maturity, depending on changes in interest rates. As of June 30, 2021, the City held \$151,581,344 in callable government agencies, which amounted to 65 percent of total investments, excluding the PARS Section 115 Pension Trust Fund.

d. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:			
U.S. Governmental Agencies			
Non-Callable	\$ -	\$ 2,071,320	\$ 2,071,320
Callable	-	151,581,344	151,581,344
U.S. Treasury Notes	-	52,586,722	52,586,722
Medium-Term Corporate Notes	-	988,704	988,704
Subtotal	<u>\$ -</u>	<u>\$ 207,228,090</u>	207,228,090
Investments Reported at Cost:			
Non-Negotiable Certificates of Deposit			1,024,210
Investments Exempt from Fair Value Hierarchy:			
California Local Agency Investment Fund			26,002,157
PARS Section 115 Pension Trust Fund - Mutual Funds			<u>47,928,827</u>
Total Investments			<u>\$ 282,183,284</u>

U.S. Treasury notes, classified in Level 1 of the fair value hierarchy, are valued using unadjusted quoted prices in an active market for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. U.S. Government agency securities and medium-term corporate notes, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These prices are obtained from various pricing sources by our custodian bank.

e. Credit Risk

Excluding the PARS Section 115 Pension Trust Fund, the City's policy, consistent with State law, limits investments in corporate notes to notes rated "A" or better by a nationally recognized statistical rating organization, including Moody's Investor's Service and Standard & Poor's.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2021, the ratings, as well as the percentage of credit risk expressed on a percentage basis, are as follows:

	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Percentage</u>
U.S. Government Agencies:			
Federal Farm Credit Bank	Aaa	AA+	7.00%
Freddie Mac	Aaa	AA+	7.62%
Federal Home Loan Bank	Aaa	AA+	45.77%
Federal National Mortgage Association	Aaa	AA+	5.21%
Medium-Term Corporate Notes:			
3M Company	A1	A+	0.89%
Apple, Inc.	Aa1	AA+	6.91%
Berkshire Hathaway Inc.	Aa2	AA	0.67%
Bank of Nova Scotia	Aa2	A+	0.87%
Bank of New York Mellon	A1	A	0.89%
CitiBank NA	Aa3	A+	0.46%
JPMorgan Chase Bank NA	NR	A+	1.28%
Microsoft Inc.	Aaa	AAA	2.40%
PACCAR Financial Corp.	A1	A+	0.59%
Toyota Motor Credit Corp.	Aa3	AA+	4.34%
Truist Bank	A2	A	0.87%
Exxon Mobil Corp	Aa1	AA	2.28%
Supranationals:			
International Finance Corp	Aaa	AAA	0.42%

Concentration of Credit Risk – The City's Policy has the same maturity limits as the California Government Code. The City is allowed to purchase mutual funds up to 20 percent of the value of the portfolio. There are no specified maximum percentages for U.S. Treasury Obligations, U.S. Agencies, and the external investment pool (California Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5 percent or more of the City's total investments are as follows as of June 30, 2021:

<u>U.S. Government Agencies</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	\$ 107,215,664	45.8%
Freddie Mac	17,850,681	7.6%
Federal Farm Credit Bank	16,390,247	7.0%
Apple, Inc.	16,194,736	6.9%
Federal National Mortgage Association	12,196,073	5.2%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

For investments, custodial risk is the risk that in the event of failure of a depository financial institution or a counter party (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investments, with the exception of money market funds, certificates of deposit and LAIF, are held in the name of the City for safekeeping by a third-party custodian, Bank of New York Mellon (BNYM). BNYM is a registered member of the Federal Reserve Bank. The City's PARS Trust is held by a third-party custodian, U.S. Bank. Securities held on the City's behalf by its third-party custodian are not at risk or commingled with other entities' securities, therefore removing the custodial risk for the City.

f. External Investment Pool

As of June 30, 2021, the City had \$26,002,157 invested in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and a State in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and the State Controller. The LAIF determines the fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where fair value is not readily available.

At June 30, 2021, 70.21 percent of LAIF's portfolio was invested in government guaranteed U.S. Treasuries, and 2.31 percent of LAIF's portfolio was invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

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

The fair value of LAIF was calculated by applying a factor of 1.00008297 to total investments held by LAIF. The fair value of the City's position in the pool is substantially equivalent to the value of the pool share. At June 30, 2021, these investments matured on an average of 291 days. Separate financial statements for the PMIB may be obtained from the California State Treasurer's Office, 915 Capitol Mall, Sacramento, California 95814.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable

The following table summarizes the notes receivable outstanding as of June 30, 2021, and a brief description of each of the loan categories appears below the table:

Housing Loans:	
Multifamily Housing Projects-Developers	\$ 998,062
Revolving Home Loans-Individuals	262,638
Senior Housing Projects-Developers	16,526,000
Nonprofit Public Benefit Corporations	65,000
Sunflower Hill	2,250,000
HOME Program Loans	1,763,987
CDBG Program Loans	490,904
Lower Income Housing Loans	29,590
Valley Business Park Loan	17,719
Sewer Connection Fee Loans	15,007
Hacienda Business Park LED Project Loan	67,423
Business Support Program Loans	1,277,500
Hacienda Business Park Owners Association Loan	633,506
	<u>\$ 24,397,336</u>

Housing Loans – The City has loaned City funds to private developers, individuals, and corporations for the development of affordable housing for seniors and low income residents.

A detailed summary of each of the housing-related loans is presented below:

- Eden Housing/Ridge View Commons Associates – In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low and very low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. This loan bears interest of 5 percent per annum and both principal and interest are payable only to the extent that surplus cash is available. In 1999, the City loaned \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a California Limited Partnership affiliated with Eden Housing, Inc., for this same housing project. In FY 2009/10, the City loaned an additional \$225,000 to Ridgeview Commons Associates to buy out the financial interests of the limited partner (Chevron USA, Inc.) in this project. This loan, totaling \$2,475,000, bears interest of 5.5 percent per annum and is payable only to the extent that surplus cash is available. Due to the contingent nature of the loan repayments, the City has recorded an allowance for doubtful accounts in its Lower Income Housing Fund for both the entire principal and interest.
- Tri-Valley REACH, Inc. Loans – Beginning in January 1992, the City has entered into a series of agreements with REACH, Inc. (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding to purchase below-market priced homes in Pleasanton for developmentally disabled adults who can live independently with supportive services. These loans do not include interest payments and no repayment of principal is due as

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable (Continued)

long as REACH, Inc. owns the property and continues to use it for the intended purpose. Total REACH, Inc. loans outstanding as of June 30, 2021 were \$1,147,531. Of this amount, \$1,034,967 is funded by the HOME Program, \$65,000 is funded from the City's Lower Income Housing Fund, and \$47,564 is funded by the CDBG Program.

The five loans to REACH, Inc. currently outstanding are summarized in the following table:

<u>Date of Loan</u>	<u>Loan Amount</u>	<u>Funding Sources</u>
January 1992	\$ 75,000	HOME Program
January 1997	201,440	HOME Program; Lower Income Housing Fund
August 2006	476,091	HOME Program; CDBG Program
February 2009	195,000	HOME Program
May 2010	200,000	HOME Program
Total	<u>\$ 1,147,531</u>	

- Case Avenue Associates* - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the low income and very low income units in the project and was comprised of two components: \$636,063 funded by the City, and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2 percent and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest, and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City-funded portion of the loan at June 30, 2021, was \$9,272. The principal amounts outstanding at June 30, 2021, for the City funded and the HOME funded portions were \$636,063 and \$130,000, respectively.
- Promenade Housing Associates* - In 1996, the City loaned \$231,999 to Promenade Housing Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of affordable units in the project and was comprised of two components: \$101,999 funded by the City, and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$101,999 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2 percent and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City funded portion of the loan at June 30, 2021, was \$1,486. The principal amounts outstanding at June 30, 2021, for the City funded and the HOME funded portions were \$101,999 and \$130,000, respectively.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable (Continued)

- Busch Garden Investors - In 2003, the City loaned Busch Garden Investors \$205,000 for the construction of the Gardens at Ironwood senior apartment project. The loan is a zero interest rate loan with annual principal payments in the amount of \$14,000. The outstanding amount as of June 30, 2021, was \$0.
- Pleasanton Homeownership Assistance Program - As part of the Pleasanton Homeownership Assistance Program (PHAP) developed by the City to provide affordable housing opportunities for households of low and moderate income, loans are provided to eligible low and moderate income homebuyers for second mortgages and down payment assistance. For the City's Down Payment Assistance (DPA) program, which was started in 2004, amortized payments are made on half of the loan for the first ten years while payments are partially deferred for ten years on the other half. During FY 2020/21, the City received loan repayments totaling \$55,657. The outstanding amount due to the City for these types of loans as of June 30, 2021 was \$262,638.
- Kottinger Gardens Phase 1 Associates, L.P. (Affiliated Corporation with MidPen Housing Corporation) - On November 12, 2013, the City approved a Disposition, Development and Loan Agreement with MidPen Housing Corporation that provided for a \$10,000,000 loan from the City's Lower Income Housing Fund for the development of the Kottinger Place affordable senior housing project. During FY 2014/15, the City appropriated an additional \$3,750,000 from the Lower Income Housing Fund for this project, increasing the project funding to \$13,750,000. A total of \$11,174,640 was drawn from this loan. Payments are to be made from excess distributable cash with the entire principal and interest due in November 2070. The principal and interest outstanding at June 30, 2021 were \$11,174,640 and \$1,017,140, respectively.

Also, during FY 2014/15, the City provided a separate predevelopment loan of \$450,000 for the predevelopment costs of the Kottinger Place project. The loan was funded through the City's HOME Program. Interest accrues on the principal amount at 3 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in October 2071. The principal and interest outstanding at June 30, 2021 were \$450,000 and \$80,932, respectively.

- Kottinger Gardens Phase 2 Associates, L.P. - On December 1, 2017, the City executed a Secured Promissory Note with Kottinger Gardens Phase 2 Associates, L.P. for \$2,861,360, funded from the City's Lower Income Housing Fund, for the development of the Pleasanton Gardens affordable senior housing project. Interest accrues on the principal amount at 3 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in December 2074. The principal and interest outstanding at June 30, 2021 were \$2,861,360 and \$309,716, respectively.
- BLP Partnership, Inc. - In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest-only payment of 10 percent (\$249,000) for 55 years or until the loan is paid in full. Annual payments are based on the availability of surplus cash

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable (Continued)

from the operation of the facility according to a “waterfall of payments” provision in the loan agreement, and any unpaid amounts are accrued to be paid from surplus cash in subsequent years. At maturity, on September 1, 2060, any unpaid principal and interest will be forgiven. Consequently, the City has recorded the accrued unpaid interest in an allowance for doubtful accounts in its Lower Income Housing Fund. During FY 2020/21, BLP paid the City \$249,000 representing a portion of the accrued unpaid interest. As of June 30, 2021, the accrued unpaid interest in the allowance for doubtful accounts was \$1,372,399 and the principal amount outstanding was \$2,490,000.

- *Regional Affordable Housing Projects* – The City has also allocated HOME funding via loans and grants to several regional affordable housing projects that have been deemed to provide a benefit to Pleasanton residents due to the unique populations they serve. There are three affordable housing loans outstanding which include: \$80,000 to Housing Alliance for the construction of Lorenzo Creek apartments (28 units of rental housing in Castro Valley for homeless individuals and families with disabilities); \$30,000 to the Deaf Senior Retirement Corporation for the construction of the Fremont Oak Gardens (50 units of rental housing in Fremont for very low income deaf seniors); and \$50,000 to Affordable Housing Associates for the construction of the Carmen Avenue apartments (30 units of rental housing in Livermore for families that were formerly homeless and have special needs). All three loans are deferred and the Fremont Oak Gardens and Carmen Avenue loans bear no interest. The Housing Alliance loan is subject to 3 percent interest, and payments are deferred for 15 years. Starting March 2021, payments are subject to available cash flow as determined by Alameda County (the lead agency in the multi-jurisdictional funding agreement). Interest outstanding on the Housing Alliance loan at June 30, 2021 was \$36,600. The principal amount outstanding for all three loans at June 30, 2021, was \$160,000.
- *Housing Rehabilitation Program* – The Housing Rehabilitation Program provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. These loans accrue 3 percent simple interest. Principal and interest are deferred for thirty years or until such time the property is sold or ceases to be the principal residence of the borrower. The majority of loans issued through the Housing Rehabilitation Program have been funded using CDBG funds, with the exception of several loans that have been funded with HOME funds and Lower Income Housing funds. The City currently contracts with Amerinational Community Services to service the City’s Housing Rehabilitation Program loan portfolio. The outstanding principal and interest amounts of these loans funded by CDBG funds as of June 30, 2021 were \$443,339 and \$195,390, respectively. The outstanding principal and interest amounts of these loans funded by HOME funds as of June 30, 2021, were \$119,020 and \$30,348, respectively. The outstanding principal and interest amounts on these loans funded by Lower Income Housing funds were \$29,590 and \$2,035, respectively.
- *Sunflower Irby, LLC* – On April 13, 2018, the City executed a \$250,000 loan agreement with Sunflower Irby, LLC to provide pre-development funding for the construction of Sunflower Hill, a 31-unit affordable rental housing development for special needs residents. On March 18, 2019, the City executed a \$2,250,000 loan agreement with Sunflower Irby, LLC, which superseded in its entirety the April 13, 2018 loan agreement, and included \$2,000,000 for construction of the housing development. The loan, funded from the Lower Income Housing Fund, accrues simple annual interest of 3 percent. The entire balance of the loan, together with accrued interest, is payable in full on the date which

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable (Continued)

is the earlier of (1) the fifty-fifth (55th) anniversary of the date upon which the project construction loan converts to permanent financing, or (2) the fifty-seventh (57th) anniversary of the loan date. The principal and interest outstanding as of June 30, 2021, were \$2,250,000 and \$155,954, respectively.

HOME Program Loans – Through its membership in the Alameda County HOME Consortium, the City receives an annual allocation of federal funds through the HOME Investment Partnership Program (HOME). The City receives its annual allocation based on a formula administered by the County of Alameda. The City has allocated its HOME funds primarily to agencies and programs that provide housing to low income persons and households. HOME funds of \$112,778 were received in FY 2020/21. The outstanding amount of the loans as of June 30, 2021, was \$1,763,987.

CDBG Program Loans – As an “entitlement city” with a population greater than 50,000, the City receives an annual allocation of federal funds directly from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. The City makes its CDBG funds available annually for application by agencies that provide housing and services to low-income persons and households. CDBG funds of \$736,687 were received in FY 2020/21. The outstanding amount of the loans as of June 30, 2021, was \$490,904.

Lower Income Housing Loans – Through its Lower Income Housing Rehabilitation Program, the City provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. The outstanding amount of the loans as of June 30, 2021, was \$29,590.

Valley Business Park Loan – In 2018, the City loaned \$48,000 to the Valley Business Park Owners Association for the renovation of three median islands on Valley Avenue just east of Santa Rita Road. The loan was funded from the City’s Capital Improvement Plan Reserve (CIPR). There are fifty (50) monthly loan payments, due on the first of each month, commencing on November 1, 2018. Payments include interest of 1.9 percent based on the current Local Agency Investment Fund (LAIF) rate. The outstanding amount as of June 30, 2021, was \$17,719.

Sewer Connection Fee Loans – Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. In 1997, the City expanded the loan program to restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2021, was \$15,007.

Hacienda Business Park LED Project Loan – In 2015, the City loaned \$251,668 to the Hacienda Business Park Owners Association (HBPOA) for their share of the City LED Street Light Retrofit Capital Improvement Project. There are twenty-one (21) semi-annual payments due on the loan; each payment is due by June 22 and December 22 of each year. The interest rate adjusts annually based on the Local Agency Investment Fund interest calculated each January 2. The outstanding amount as of June 30, 2021, was \$67,423.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Notes Receivable (Continued)

Business Support Program Loans – Due to the COVID-19 pandemic, in 2020, the City established a program to provide loans to local small businesses. Eligible businesses included those that are independently or locally owned, have a physical location in Pleasanton, were in good standing with the City and employ between 2-25 employees. Loan amounts were \$2,900 for businesses located in the downtown district, and \$2,500 for those outside of the downtown area. In 2021, the City increased the eligible loan amounts to \$10,000 (\$10,800 for downtown) for micro-enterprise business employing 2-10 employees and \$20,000 (\$21,600 for downtown) for business employing 11-25 employees. The loans are interest free and repayment will commence once the local emergency has been lifted by action of the City Council, and will be payable over 36 months. During fiscal year 2019-20 the City provided 61 loans totaling \$161,700, with the additional funding, the City provided 54 new loans and increased the funding for 46 of the previously 61 funded loans which totaled \$1,115,800. The total outstanding amount as of June 30, 2021, was \$1,277,500.

Hacienda Business Park Owners Association Landscape Renovation Loan – In 2019, the City loaned \$732,548 to the Hacienda Business Park Owners Association (HBPOA) for a landscape renovation project on the 833-acre property known as Hacienda Business Park. There are one hundred twenty (120) monthly payments due the first of each month commencing January 1, 2020. The interest rate on the loan is set at an annual rate of compounded interest of 2.72 percent. The outstanding amount as of June 30, 2021, was \$633,506.

Note 4: Interfund Transactions

a. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2021, is as follows:

Due to/from Other Funds

As of June 30, 2021, the General Fund provided \$86,765 to the HOME Program Special Revenue Fund, \$1,450,091 to the Miscellaneous Grants Fund, \$43,943 to the HBPOA Maintenance District Special Revenue Fund, \$195,492 to the Community Development Block Grant Fund, \$5,802 to the Traffic Impact Fund and \$26,779 to the Transit Fund Enterprise Fund.

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,782,093
General Fund	Non-Major Enterprise Funds	26,779
		<u>\$ 1,808,872</u>

Long-Term Advances

On April 17, 2015, the Replacement/Renovation Internal Service Fund advanced \$2,000,000 to the Park Capital Improvement Program Capital Projects Fund to be used for costs associated with the Bernal Community Park Phase II Lighted Multi-Purpose Sports Fields project. The advance was scheduled to be repaid through private fundraising

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Interfund Transactions (Continued)

efforts within ten years after the park’s opening date of October 6, 2016. However, due to the COVID-19 Pandemic and the Alameda County Shelter-in-Place (SIP) Order in mid-March 2020, the City granted a two-year payment reprieve and a two-year repayment extension to the sports groups and members of the Play Bernal Fundraising Campaign. The repayment date has been extended to October 2028. The outstanding amount as of June 30, 2021, was \$581,955.

On June 7, 2017, the City Council approved an advance from the General Fund to the Cemetery Enterprise Fund totaling \$500,000. In FY 2018/19, the funding was advanced to the Cemetery Fund to help establish the Pleasanton Pioneer Master Plan Implementation Reserve Fund. The General Fund currently provides a \$50,000 subsidy to the Cemetery Fund. Once the Cemetery operating revenues are sufficient to cover operating expenses without requiring a subsidy, the Cemetery Fund will begin to repay the interfund loan. As of June 30, 2021, the entire amount was outstanding.

b. Transfers In/Out

Transfers in/out for the year ended June 30, 2021, were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Non-Major Governmental Funds	\$ 25,641	(A), (C)
	Golf Enterprise Fund	500,000	(C)
	Internal Service Funds	765,000	(E)
Miscellaneous Capital Improvement Programs Fund	General Fund	3,572,010	(C), (D)
	Non-Major Governmental Funds	100,000	(D)
	Internal Service Funds	1,729,136	(D)
Water Enterprise Fund	General Fund	283,252	(B)
	Non-Major Governmental Funds	1,521	(C)
	Internal Service Funds	45,000	(E)
Sewer Enterprise Fund	General Fund	101,753	(B)
	Internal Service Funds	22,000	(E)
Storm Drain Enterprise Fund	General Fund	800,000	(D), (F)
	Non-Major Governmental Funds		
Non-Major Governmental Funds	General Fund	150,000	(D)
	Miscellaneous Capital Improvement Programs Fund	1,191,529	(D)
	Non-Major Governmental Funds	2,020,826	(D)
	Internal Service Funds	755,000	(D)
Non-Major Enterprise Funds	General Fund	66,577	(F)
Internal Service Funds	General Fund	1,050,000	(C)
	Golf Enterprise Fund	300,000	(D)
Total Interfund Transfers		<u>\$ 13,479,245</u>	

- (A) Transfers to fund operation expenditures
- (B) Transfers to fund senior and low income discounts
- (C) Transfers to fund partial repayment loan
- (D) Transfers to fund capital improvement projects
- (E) Transfers to return excess funds to sources
- (F) Transfers to subsidize operations

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

<u>Governmental Activities:</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Transfers</u>	<u>Balance June 30, 2021</u>
Nondepreciable assets:					
Land	\$ 246,654,500	\$ -	\$ -	\$ -	\$ 246,654,500
Right-of-ways	36,354,674	-	-	-	36,354,674
Public art	835,018	8,999	-	-	844,017
Construction in progress	8,065,165	15,933,870	-	(14,680,356)	9,318,679
Total nondepreciable assets	291,909,357	15,942,869	-	(14,680,356)	293,171,870
Depreciable assets:					
Infrastructure	303,255,516	28,804	-	9,299,059	312,583,379
Buildings	84,511,591	-	-	3,668,973	88,180,564
Improvements other than buildings	77,481,882	-	-	1,602,407	79,084,289
Machinery and equipment	30,250,305	988,505	(96,993)	109,917	31,251,734
Vehicles	13,995,179	1,342,011	-	-	15,337,190
Total depreciable assets	509,494,473	2,359,320	(96,993)	14,680,356	526,437,156
Less accumulated depreciation:					
Infrastructure	190,372,878	8,003,193	-	-	198,376,071
Buildings	32,022,027	1,719,081	-	-	33,741,108
Improvements other than buildings	48,785,624	2,539,186	-	-	51,324,810
Machinery and equipment	21,332,587	1,550,656	(96,977)	-	22,786,266
Vehicles	9,825,964	1,456,276	-	-	11,282,240
Total accumulated depreciation	302,339,080	15,268,392	(96,977)	-	317,510,495
Net depreciable assets	207,155,393	(12,909,072)	(16)	14,680,356	208,926,661
Governmental activities capital assets, net	\$ 499,064,750	\$ 3,033,797	\$ (16)	\$ -	\$ 502,098,531
<u>Business-Type Activities:</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements and Adjustments</u>	<u>Transfers</u>	<u>Balance June 30, 2021</u>
Nondepreciable assets:					
Land	\$ 14,512,340	\$ -	\$ -	\$ -	\$ 14,512,340
Construction in progress	3,756,903	2,973,257	-	(2,454,102)	4,276,058
Total nondepreciable assets	18,269,243	2,973,257	-	(2,454,102)	18,788,398
Depreciable assets:					
Infrastructure	299,837,353	6,000	-	235,418	300,078,771
Buildings	36,192,988	74,192	-	2,218,684	38,485,864
Improvements other than buildings	31,991,425	-	-	-	31,991,425
Machinery and equipment	15,937,892	209,188	(46,853)	-	16,100,227
Vehicles	674,489	5,655	-	-	680,144
Total depreciable assets	384,634,147	295,035	(46,853)	2,454,102	387,336,431
Less accumulated depreciation:					
Infrastructure	180,130,383	6,636,197	-	-	186,766,580
Buildings	18,158,115	880,234	-	-	19,038,349
Improvements other than buildings	23,290,152	1,542,491	-	-	24,832,643
Machinery and equipment	8,422,101	500,010	-	-	8,922,111
Vehicles	586,322	15,263	-	-	601,585
Total accumulated depreciation	230,587,073	9,574,195	-	-	240,161,268
Net depreciable assets	154,047,074	(9,279,160)	(46,853)	2,454,102	147,175,163
Business-Type activities capital assets, net	\$ 172,316,317	\$ (6,305,903)	\$ (46,853)	\$ -	\$ 165,963,561

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Capital Assets (Continued)

Depreciation expense was charged to various governmental functions as follows:

<u>Governmental Activities</u>	<u>Total</u>
General government	\$ 5,876
Public safety	594,856
Community development	1,350,671
Operations services	9,543,264
Community activities	1,499,278
Total Governmental Functions	12,993,945
Internal Service Funds	2,274,447
Total Governmental Activities	<u>\$ 15,268,392</u>

Depreciation expense was charged to various business-type functions as follows:

<u>Business-Type Activities</u>	<u>Total</u>
Water	\$ 4,041,857
Sewer	2,824,260
Golf	1,534,900
Transit	15,026
Storm Drain	1,126,666
Cemetery	31,486
Total Business-Type Activities	<u>\$ 9,574,195</u>

Note 6: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

<u>Description</u>	<u>Balance June 30, 2020</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Governmental Activities - Direct					
California Energy Commission (CEC), 1.0%, due 2022	\$ 468,588	\$ 186,406	\$ 282,182	\$ 188,275	\$ 93,907
Governmental Activities- Direct Borrowing					
HUD Section 108 Loan, variable rate,	726,000	40,000	686,000	50,000	636,000
Total Governmental Activity Debt	<u>\$ 1,194,588</u>	<u>\$ 226,406</u>	<u>\$ 968,182</u>	<u>\$ 238,275</u>	<u>\$ 729,907</u>

<u>Description</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Business-type Activities - Direct Borrowing						
Golf Course Capital Lease	\$ 132,612	\$ -	\$ 75,947	\$ 56,665	\$ 23,656	\$ 33,009
Golf Course Notes Payable	291,667	-	-	291,667	112,010	179,657
California Clean Water SRF Loan	9,379,766	841,578	304,331	9,917,013	339,255	9,577,758
Business-type Activities - Bonds						
Water Revenue Bonds, Series 2017	4,600,000	-	880,000	3,720,000	900,000	2,820,000
Total Business-type Activity Debt	<u>\$ 14,404,045</u>	<u>\$ 841,578</u>	<u>\$ 1,260,278</u>	<u>\$ 13,985,345</u>	<u>\$ 1,374,921</u>	<u>\$ 12,610,424</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Liabilities (Continued)

a. Governmental Activities

California Energy Commission (CEC) Loan

On June 7, 2013, the City entered into an agreement with the California Energy Resources Conservation and Development Commission to borrow up to \$2,755,000 for the LED Street Light Retrofit Capital Improvement Project. Loan funds totaled \$1,716,976 and were disbursed to the City on a reimbursement basis based on eligible invoices paid. Interest accrues at 1 percent per annum on the unpaid principal, computed from each disbursement date. Principal and interest payments began on December 22, 2016 and continues on each June 22 and December 22 of each year until the loan is paid in full. Loan payments are made from the Miscellaneous Capital Improvement Programs Capital Project Fund. The outstanding balance at June 30, 2021, was \$282,182.

The City's outstanding notes from direct placement related to governmental activities of \$282,182 are secured with collateral of the promissory note. Additionally, the direct placement related to governmental activities contain a provision that in an event of default, the lender may declare the promissory note evidencing this loan to be immediately due and payable if the City is unable to make payments. Furthermore, the direct placement related to governmental activities contain a provision of termination related to (1) if the City is in breach of the terms or covenants in the agreement, (2) significant change in Energy Commission or State policy where the work or product being funded would not be supported by the Energy Commission, (3) reorganization to a business entity unsatisfactory to the energy commission and (4) that the Energy Commission may terminate the agreement without cause upon giving thirty days advance notice in writing to the City.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Placement		
	California Energy Commission (CEC)		
	Principal	Interest	Total
2022	\$ 188,274	\$ 2,354	\$ 190,628
2023	93,908	471	94,379
Total	\$ 282,182	\$ 2,825	\$ 285,007

HUD Section 108 Loan

On August 28, 2015, the City entered into an agreement with the U.S. Department of Housing and Urban Development to borrow up to \$1,250,000. The City used these funds to reimburse Axis Community Health, Inc. for construction costs of their new health clinic. In FY 2015/16, the City requested an advance of \$950,000 on this loan. Principal payments are due August 1 of each year. Loan payments are made from the Community Development Block Grant Special Revenue Fund. The outstanding balance at June 30, 2021, was \$686,000.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Liabilities (Continued)

The City's outstanding notes from direct borrowing related to governmental activities of \$686,000 are secured with collateral for a second priority lien on the real property on nine parcels beginning at a point on the northwestern line of Railroad Avenue. Additionally, the direct borrowing related to governmental activities contain a provision that in an event of default, all right, title, and interest of the City in and to the guaranteed loan funds and guaranteed loan funds investment accounts shall immediately vest in the Secretary of Housing and Urban Development for use in making payment on the note. Furthermore, the direct borrowing related to governmental activities contain a subjective provision clause that allows the lender to accelerate payment of the principal amount.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	HUD Section 108 Loan		
	Principal	Interest	Total
2022	\$ 50,000	\$ 19,735	\$ 69,735
2023	50,000	18,455	68,455
2024	50,000	17,164	67,164
2025	50,000	15,843	65,843
2026-2030	250,000	58,090	308,090
2031-2035	236,000	18,930	254,930
Total	\$ 686,000	\$ 148,217	\$ 834,217

b. Business-Type Activities

Golf Course Capital Leases

On February 10, 2016, the City entered into a lease purchase agreement (Master Agreement) with U.S. Bancorp Government Leasing and Finance, Inc. (U.S. Bancorp) for golf course maintenance equipment (Property Schedule No.1). The cost of the leased equipment was \$321,373. The City makes quarterly payments of \$16,830 over a lease period of 60 months, including interest payments at a rate of 1.78 percent. At the end of the term, the equipment becomes the property of the City.

On November 7, 2016, the City entered into a lease purchase agreement with Yamaha Motor Finance for golf course maintenance equipment. The cost of the leased equipment was \$12,319. The City makes monthly payments of \$287 over a lease period of 48 months, including interest payments at a rate of 5.98 percent. At the end of the term, the equipment becomes the property of the City.

On August 8, 2018, the City entered into a lease purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for golf course maintenance equipment (Property Schedule No. 2). This is an addendum to the Master Agreement with U.S. Bancorp dated February 10, 2016. The cost of the leased equipment was \$119,597. The City makes quarterly payments of \$6,603 over a lease period of 60 months, including interest payments at a rate of 3.86 percent. At the end of the term, the property becomes the property of the City.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	Golf Course Capital Lease		
	Principal	Interest	Total
2022	\$ 23,656	\$ 1,832	\$ 25,488
2023	26,469	870	27,339
2024	6,540	63	6,603
Total	<u>\$ 56,665</u>	<u>\$ 2,765</u>	<u>\$ 59,430</u>

The City’s outstanding notes from direct borrowings related to business-type activities of \$56,665 are secured by a lien on the leased equipment. The agreements contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due, and (2) lessor may require the City to return any or all of the property.

Golf Course Loan Payable

On May 1, 2020, the Golf Course received loan proceeds in the amount of \$291,667 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

On August 25, 2021 the total proceeds of the PPP Loan were forgiven as authorized by Section 1106 of the CARES Act. Therefore, the entire balance will be included in income for the fiscal year ended June 30, 2022 for the Course.

California Clean Water State Revolving Fund (SRF) Loan

In June 2015, the City entered into an agreement with the California State Water Resources Control Board for State Revolving Fund project financing in the amount of \$19,875,720 to fund the City of Pleasanton Recycled Water Project. The loan is secured by and payable solely from net revenues from the ownership or operation of the City’s Water Enterprise. The agreement was amended in September 2015 to reduce the project funding to \$11,317,177. The project was completed in October 2016 and the City had drawn a total of \$11,088,917. The loan bears annual interest of 1.0 percent, and principal and interest payments are due October 31 of each year. The outstanding balance at June 30, 2021, was \$9,917,013.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	California Clean Water SRF Loan		
	Principal	Interest	Total
2022	\$ 339,255	\$ 95,640	\$ 434,895
2023	339,118	95,778	434,896
2024	342,508	92,386	434,894
2025	345,934	88,961	434,895
2026-2030	1,782,255	392,219	2,174,474
2031-2035	1,873,168	301,307	2,174,474
2036-2040	1,968,718	205,756	2,174,474
2041-2045	2,069,143	105,332	2,174,474
2046-2047	856,915	12,875	869,790
Total	<u>\$ 9,917,013</u>	<u>\$ 1,390,254</u>	<u>\$ 11,307,268</u>

The City's outstanding note from direct borrowings related to business-type activities of \$9,917,013 is secured by a lien on and pledge of the Water Enterprise Fund, net water revenues and any water reserve fund. In addition, the agreement contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal.

Water Revenue Bonds, Series 2017

In February 2017, the City issued \$7,100,000 of Water Revenue Bonds, Series 2017 to finance certain improvements for the expansion of the municipal recycled water system of the City. The bonds bear interest at 2.15 percent with interest payments made semi-annually on February 1 and August 1, commencing August 1, 2017. Principal payments are due annually on February 1, commencing February 1, 2018. The Bonds are payable solely from net water revenues. The outstanding balance at June 30, 2021, was \$3,720,000.

The Bonds are payable from any source of available water funds of the City. The bond covenants contain a provision that in an event of default, upon the written request of not less than fifty-one percent of the original purchasers of the bonds, may declare the principal and interest accrued to be due and payable immediately. Additionally, the bonds outstanding contain a subjective acceleration clause that allows the lender to accelerate payments and the principal amount to become due and payable immediately.

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Bonds		
	Water Revenue Bonds, Series 2017		
	Principal	Interest	Total
2022	\$ 900,000	\$ 79,980	\$ 979,980
2023	920,000	60,630	980,630
2024	940,000	40,850	980,850
2025	960,000	20,640	980,640
Total	<u>\$ 3,720,000</u>	<u>\$ 202,100</u>	<u>\$ 3,922,100</u>

c. Debt Without City Commitment

Conduit Debt

In 2003, the City issued a Multifamily Housing Revenue Bond for the Busch Senior Housing Apartments project financing in the amount of \$13,360,000. The bonds have a final maturity date of June 15, 2037. The apartments are required to be occupied in part by low or moderate income families and are restricted exclusively for seniors.

The bond is secured by a first lien priority deed of trust, assignment of rents and security agreement encumbering the project. In addition, the required payments under the mortgage note is secured by a pledge and security interest granted by the Federal National Mortgage Association (FNMA) to the trustee of interests in certain collateral owned by FNMA pursuant to the terms of the agreement.

The bond is payable solely from payments received on the underlying mortgage loans. The City is not obligated in any manner for repayment of the bond. Accordingly, the bond is not reported as a liability in the accompanying basic financial statements.

In September 2005, the City issued Variable Rate Demand Certificates of Participation (COP) for the Pleasanton Assisted Living Project (The Parkview) financing in the amount of \$19,700,000. The COPs have a final maturity date of November 1, 2040. The assisted living facility is owned and operated by BLP Partnership, Inc. and payments on the COP debt will be made by the corporation from revenues derived from the operation of the facility. The City is not obligated in any manner for repayment of the COPs. Accordingly, the COPs are not reported as a liability in the accompanying basic financial statements.

The aggregate amount of all conduit debt outstanding as of June 30, 2021, was \$15,986,766.

d. Legal Debt Limit

As of June 30, 2021, the City's debt limit based on the legal debt margin (15 percent of 25 percent of the City's assessed valuation subject to taxation) was \$992,783,233.

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Liabilities (Continued)

e. Arbitrage and Debt Covenant Compliance

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2021.

As of June 30, 2021, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

Note 7: Risk Management

The City is exposed to various risks of loss related to third party personal injuries and/or damage to property, employment practices liability, workers' compensation claims, and damage to or destruction of City property and vehicles. The City has a self-retained limit for these various risks as shown below in the table. Over the City's self-retained limits, the City has coverage through a number of risk sharing public entity pools. For example, general liability claims over \$250,000 are covered through the Bay Cities Joint Powers Insurance Authority (BCJPIA) and the California Affiliated Risk Management Authority (CARMA). Similarly, employment practices liability claims between \$75,000 and \$1,000,000 are covered through the Employment Risk Management Authority (ERMA) and claims between \$1,000,000 and \$3,000,000 through Beazley Insurance, a Lloyd Company. In the opinion of City management, premiums paid to BCJPIA (which in turn pays premiums to others including CARMA and ERMA, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

The City's self-insured retained limits and maximum coverage for its significant risk sharing public entity pools are as follows:

Coverage	Self-Insured Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 250,000	\$ 38,000,000	BCJPIA/CARMA
Employment Practices Liability	75,000	1,000,000	ERMA/Beazley Insurance, a Lloyd Company
Workers' Compensation	N/A	Up to Statutory Limit	BCJPIA/LAWCX
All Risk Property	10,000	Up to Replacement Cost	BCJPIA/APIP
Auto Physical Damage	Various	Up to Replacement Cost	BCJPIA/APIP
Cyber Liability	100,000	25,000,000	APIP
Commercial Crime Bond	10,000	1,000,000	FDCM/GAIC

Within the past three fiscal years, all claims that have settled have been within the maximum coverage.

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and its Workers' Compensation Program in an Employee Benefits Fund. Both funds are classified as Internal Service Funds.

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 7: Risk Management (Continued)

The Workers' Compensation Program makes payments needed to pay prior and current year claims and to establish a reserve for future losses. The net position of the Workers' Compensation Program at June 30, 2021, had a negative balance of \$3,932,488 reflecting an increase in claims liability from the prior year. The claims liability of \$8,300,000 is reported as claims payable as of June 30, 2021. Payments in future years from funds of the City participating in the Workers' Compensation Program are anticipated to recover the full cost of the claims liability.

In the Self Insurance Retention Internal Service Fund, at June 30, 2021, reserves of \$3,195,963 are reported in net position and claims liabilities of \$921,261 are reported as claims payable.

The Workers' Compensation Program claims liabilities in the Employee Benefits Fund and the general and employment practices claims liabilities in the Self Insurance Retention Fund are based on the results of actuarial studies and include IBNR claims amounts. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The aggregate change in the balance of claims liabilities for the internal service funds were as follows:

	June 30,	
	2021	2020
Unpaid claims, beginning of year	\$ 10,193,688	\$ 9,834,712
Incurred claims and changes in estimates	1,471,099	2,159,960
Claim Payments	<u>(2,443,526)</u>	<u>(1,800,984)</u>
Unpaid claims, end of year	<u>\$ 9,221,261</u>	<u>\$ 10,193,688</u>
Current Portion	<u>\$ 1,627,217</u>	<u>\$ 1,856,905</u>

Note 8: Investment in Joint Ventures and Membership in Insurance Pool

The City participates in nine joint venture activities through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 8: Investment in Joint Ventures and Membership in Insurance Pool (Continued)

a. Bay Cities Joint Powers Insurance Authority

The City is a member of Bay Cities Joint Powers Insurance Authority (BCJPIA). BCJPIA was created in 1986 to develop effective risk management programs to reduce the amount and frequency of losses, to provide for pooled self-insurance among member agencies and to jointly purchase and provide administrative and other services including, but not limited to claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program. BCJPIA consists of fifteen cities, four towns, one fire authority and one police authority all located within the metropolitan Bay Area.

The City's proportionate share of BCJPIA's net position depends on a number of factors as there are inflows into the City's account with BCJPIA based on premium deposits and interest earned and there are outflows for expenditures for matters such as administration, claims handling, incurred losses and a reserve for claims incurred but not yet reported (IBNR). Accordingly, it is difficult to ascertain what the City's proportionate share is at any given time.

Nevertheless, if there is excess equity in the City's account for a program year that is five years old and for which there are no longer any outstanding claims for that program year, the BCJPIA Board of Directors may declare a dividend and distribute such dividend to the member entities based on what is in each member's equity account. Financial statements for BCJPIA may be obtained from BCJPIA 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

b. Local Agency Workers' Compensation Excess Joint Powers Authority

In 2010, the City joined the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). LAWCX was formed on July 1, 1992 as a state-wide joint powers authority to self-insure and pool excess workers' compensation losses. LAWCX was established for California self-insured workers' compensation joint powers authorities, individual agencies and special districts. LAWCX is governed by a Board of Directors with a representative from each member entity. Financial statements for LAWCX may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

c. Livermore-Amador Valley Waste Management Agency

The Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharge Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District (DSRSD), the City of Livermore, and the City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 8: Investment in Joint Ventures and Membership in Insurance Pool (Continued)

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings and losses in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position as "Equity interest in gain (loss) from joint ventures," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Fund Net Position as "Net investment in joint ventures." The City's equity interest in LAVWMA was \$16,414,412 as of June 30, 2021. Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, California 94568.

d. Pleasanton Joint Powers Financing Authority

In June 1993, the Pleasanton Joint Powers Financing Authority (PJFPA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJFPA has facilitated lease financings (through the issuance of Certificates of Participation) for many of the City's public buildings and infrastructure. The PJFPA issued \$7,100,000 of Water Revenue Bonds during FY 2016/17 (see Note 6b). The outstanding balance at June 30, 2021, was \$3,720,000. The PJFPA is a blended component unit of the City and the financial operations of the PJFPA are included in the City of Pleasanton's financial statements.

e. Livermore-Amador Valley Transit Authority

The Livermore-Amador Valley Transit Authority (LAVTA) was formed in 1985 by a joint exercise of powers agreement between the County of Alameda and the cities of Dublin, Livermore and Pleasanton to provide transportation services within the cities' limits and portions of the unincorporated County. LAVTA operates under the name "Wheels." Financial statements for LAVTA may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, California 94551.

f. Tri-Valley Transportation Council

The Tri-Valley Transportation Council (TVTC) was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements for TVTC may be obtained from Franklin Management Systems, Inc. Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, California 94588.

g. Livermore-Pleasanton Fire Department

On December 3, 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPPFD), covering both cities. On February 12, 2018, the cities signed an amended and restated JPA that, among other things, reinforced the joint obligation to fund retirement benefits including unfunded liabilities. Fire protection services are provided by

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 8: Investment in Joint Ventures and Membership in Insurance Pool (Continued)

the City of Pleasanton employees under the joint power agreement. The LPFD prepares its budget, including contributions required from each City, to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City of Pleasanton's share of LPFD's costs is approximately 50 percent. The City accounts for its investment in LPFD by the equity method in the Governmental Activities in the Statement of Net Position. During the year ended June 30, 2021, the City contributed \$20,746,601 to LPFD representing its share of costs. The City's estimated equity/(deficit) interest in LPFD was (\$44,265,779) as of June 30, 2020.

Financial information of the LPFD for the fiscal year ended June 30, 2020 was summarized as follows:

	<u>Total</u>
Assets	
Current	\$ 4,151,531
Noncurrent	630,347
Total assets	<u>4,781,878</u>
Deferred outflows of resources	
Related to pensions	6,765,760
Related to OPEB	1,606,000
Total deferred outflows of resources	<u>8,371,760</u>
Liabilities	
Current	1,103,509
Noncurrent:	
Other long-term liabilities	5,099,495
Net pension liability	40,477,397
Net OPEB liability	8,239,000
Total Liabilities	<u>54,919,401</u>
Deferred inflows of resources	
Related to pensions	1,227,516
Related to OPEB	1,271,000
Total deferred inflows of resources	<u>2,498,516</u>
Net position	<u>\$ (44,265,779)</u>
Revenues	20,479,329
Expenses	22,046,436
	(1,567,107)
Net position - beginning of the year	<u>(42,698,672)</u>
Net position - end of the year	<u>\$ (44,265,779)</u>

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 8: Investment in Joint Ventures and Membership in Insurance Pool (Continued)

The City records its share of earnings and losses in the Livermore-Pleasanton Fire Department Agency Fund and the carrying value of the City's investment in LPFD is recorded in the Statement of Net Position as "Net Deficit in LPFD". The information related to pension and OPEB are of measurement date June 30, 2019. Financial statements for LPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

h. East Bay Regional Communications System Authority

In 2007, the City joined the East Bay Regional Communications System Authority (EBRCSA). The EBRCSA was formed to govern the regional communications system servicing Alameda and Contra Costa Counties, as well as many cities and special districts within the East Bay. Currently, there are forty member agencies consisting of both counties, thirty cities, six special districts, the University of California Berkeley, and the California Department of Transportation, serving a population of over 2.5 million people. The EBRCSA is governed by a twenty-three member board of directors selected from participating counties, cities and districts. Financial statements for EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, California 94568.

i. Alameda County Transportation Commission

The Alameda County Transportation Commission (Alameda CTC) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the five County Board of Supervisors, the Bay Area Rapid Transit District and AC Transit. Financial statements for Alameda CTC may be obtained from Alameda CTC, 1111 Broadway, Suite 800, Oakland, California 94607.

Note 9: Net Position/Fund Balances

a. Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets

This category 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.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Net Position/Fund Balances (Continued)

Restricted Net Position

This category represents net position subject to external restrictions imposed by creditors, grantors, contributors, laws or regulations of governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the City, not restricted for any project or other purpose.

b. Fund Balance

In the fund financial statements, governmental funds report five classifications of fund balance as follows:

Nonspendable – amounts that cannot be spent due to not being in a spendable form (long-term assets, prepaid expenses, inventory) or are legally or contractually required to be maintained intact.

Restricted – amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

Committed – amounts constrained for a specific purpose by the governmental entity and designated as such by its highest level of decision-making authority.

Assigned – amounts set aside for a specific purpose by a governing board or official that has been delegated the authority to assign amounts.

Unassigned – portion of a fund that is not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount.

On June 21, 2011, the City Council adopted Resolution No. 11-463 classifying the City's fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance commitments may be established only by formal action (either resolution or ordinance, as each is equally binding) of the City Council, the City's highest level of decision-making authority. Commitments may be modified or rescinded only by the City Council taking the same formal action that established the commitment originally.

Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City's Director of Finance. Resolution No. 11-463 designated the Director of Finance as the City official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance." When an expense is incurred for purposes for which amounts in any of the unrestricted

CITY OF PLEASANTON

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 9: Net Position/Fund Balances (Continued)

fund balance classifications could be used, the City's policy is to apply committed fund balance first, followed by assigned fund balance and then unassigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The City has earmarked a portion of the unassigned fund balance to meet the City's operating reserve policy. In November of 2016, the City Council adopted the policy that requires the General Fund to maintain minimum reserves equal to 20 percent of operating expenses and target reserves equal to 25 percent of operating expenses. The City's objective is to utilize General Fund operating reserves to cover revenue shortfalls that would likely occur after a natural disaster. The target level of reserves equal three months of operating expenses that will ensure the City can continue to make payroll and cover other operating expenses while the City recovers from the event.

As of June 30, 2021, fund balances are composed of the following:

GASB 54 Fund Balances:	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Notes Receivable, Advances to Other Funds	\$ 515,007	\$ -	\$ -	\$ -	\$ 515,007
Total Nonspendable	<u>515,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,007</u>
Restricted:					
Accessibility Programs	-	-	-	56,727	56,727
Assessment District Construction	-	-	-	1,261,297	1,261,297
Asset Forfeiture	-	-	-	27,968	27,968
Budgeted Developer Projects	-	-	-	10,252,573	10,252,573
Business Support Program	-	-	-	1,752,198	1,752,198
Community Access Television	-	-	-	1,639,309	1,639,309
CIP for Downtown & North Pleasanton	-	-	-	3,285,645	3,285,645
Geological Hazard Assessment Districts	-	-	-	1,379,539	1,379,539
Housing	-	11,160,054	-	-	11,160,054
Landscape and Lighting Districts	-	-	-	408,897	408,897
Landscape Maintenance NPID	-	-	-	1,056,180	1,056,180
Marilyn Kane Trail Reserve	-	-	-	116,486	116,486
Miscellaneous Donations/Developer Contributions	-	-	-	735,348	735,348
Park Development	-	-	-	10,370,515	10,370,515
PARS Section 115 Pension Trust	18,566,741	-	-	-	18,566,741
Public Facilities Capital Improvements	-	-	-	3,568,429	3,568,429
Public Safety	-	-	-	138,644	138,644
Resource Management	-	-	-	1,138,102	1,138,102
Street Maintenance	-	-	-	12,645,699	12,645,699
Traffic Impact	-	-	-	10,389,543	10,389,543
Tri-Valley Transportation	-	-	-	2,076,524	2,076,524
Various Specific Plans	-	-	-	854,347	854,347
Total Restricted	<u>18,566,741</u>	<u>11,160,054</u>	<u>-</u>	<u>63,153,970</u>	<u>92,880,765</u>
Assigned:					
Capital Projects	-	-	21,424,781	12,705,413	34,130,194
Other Purposes	-	-	-	748,049	748,049
Total Assigned	<u>-</u>	<u>-</u>	<u>21,424,781</u>	<u>13,453,462</u>	<u>34,878,243</u>
Unassigned:					
Total Unassigned	<u>24,653,598</u>	<u>-</u>	<u>-</u>	<u>(697,414)</u>	<u>23,956,184</u>
Total Fund Balances	<u>\$ 43,735,346</u>	<u>\$ 11,160,054</u>	<u>\$ 21,424,781</u>	<u>\$ 75,910,018</u>	<u>\$ 152,230,199</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Net Position/Fund Balances (Continued)

c. Deficit Fund Balances and Deficit Net Position

At June 30, 2021, the following funds had a deficit fund balance or deficit net position:

- Miscellaneous Grants Special Revenue Fund (\$697,414)
- Employee Benefits Internal Service Fund (\$118,113,591)
- Retiree Insurance Reserve Internal Service Fund (\$33,172,436)

The Miscellaneous Grants Special Revenue Fund finished FY 2020/21 with a fund balance deficit of \$697,414, as shown in the Non-Major Governmental Funds Combining Balance Sheet. This fund balance deficit is primarily due to the timing of reimbursements from granting agencies. Intergovernmental grant funds are primarily paid to the City in arrears by reimbursements. In FY 2020/21, the City paid for expenditures for work on its Bridge Improvements project and expects to receive reimbursement through the California Department of Transportation in FY 2021/22.

The Employee Benefits Internal Service Fund finished FY 2020/21 with a net position deficit of \$118,113,591 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit is primarily due to the recording of the net pension liability required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The City will continue to make the required contributions each year based on the 30 year CalPERS payment amortization schedule. As described in Note 10a Funding Policy, in March 2018, the City established a Section 115 Pension Trust (Section 115 Trust) with an initial contribution of \$28.0 million. The fair value of the Section 115 Trust at June 30, 2021, was \$47.9 million. The City intends to use the Section 115 Trust to help make future pension contributions under the following conditions:

- Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate of the City's General Fund.
- The General Fund has a structural deficit that needs to be addressed (i.e. non-discretionary expenditures exceed revenues).
- General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to 20 percent of General Fund expenditures.
- Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Section 115 Trust.

The Retiree Insurance Reserve Internal Service Fund finished FY 2020/21 with a net position deficit of \$33,172,436 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit is primarily due to the recording of the net OPEB liability as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. As described in Note 11b Funding Policy, in April of 2011, the City established an OPEB irrevocable Trust (OPEB Trust). The City has been annually contributing to the OPEB Trust to pre-fund the City's amortized 30-year unfunded OPEB liability. As of June 30, 2021, the OPEB Trust had a balance of \$94.6 million. The City will use the OPEB Trust to fund future OPEB benefit payments.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan

The City participates in the following Pension Plans administered by the California Public Employees Retirement System (CalPERS):

1. ***Agent Multiple-Employer Defined Benefit Pension Plans*** (Agent Multiple) for its Miscellaneous and Safety Fire employees.

An agent multiple-employer plan is one in which the assets of the participating government employers are pooled for investment purposes but separate accounts are maintained for each individual employer.

2. ***Cost-Sharing Multiple-Employer Defined Benefit Pension Plan*** (Cost Sharing) for its Safety Police employees.

A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

a. General Information about the Pension Plans and Summary of Balances by Plan

Plan Descriptions – All qualified permanent employees are eligible to participate in the City’s separate Safety (Police) cost-sharing plan, Safety (Fire) agent multiple-employer defined benefit pension plan, and Miscellaneous (all other) agent multiple-employer defined benefit pension plan that are administered by CalPERS.

The Miscellaneous and Safety Fire Plans are agent multiple-employer defined benefit pension plans which act 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.

As discussed in Note 8g, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LFPD). The employees of the LFPD are the City of Pleasanton’s employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LFPD with the City of Livermore with a share of 50 percent. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the collective net pension liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LFPD on the Governmental Activities Statement of Net Position, using the equity method of accounting. Information specific to the City’s share of net pension liability and deferred outflows/inflows are included in Note 10d.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

The City’s Safety Police Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS since the plan has less than 100 active members, commonly referred to as risk pool. The City has two retirement benefit tiers in the Safety Police Plan and a PEPR classification. Tier 1 is for employees hired prior to January 1, 2013. Tier 2 is for employees hired on or after January 1, 2013. PEPR is for employees new to CalPERS hired on or after January 1, 2013.

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 plan and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources, by plan:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$ 15,155,089	\$ 105,468,375	\$ (239,692)	\$ 4,458,571
Safety (Police)	11,081,029	39,511,056	(4,220,221)	3,628,824
Total	\$ 26,236,118	\$ 144,979,431	\$ (4,459,913)	\$ 8,087,395

Each plan is discussed in detail below.

Funding Policy – In March 2018, the City established a Section 115 Pension Trust Fund 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. The fair value on the account at June 30, 2021, was \$47.9 million. Financial statements of PARS may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

b. Miscellaneous Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. Members with at least 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 1959 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 PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

The plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Tier 1</u>	<u>PEPRA</u>
Benefit Formula	2.7% @ 55	2.0% @ 62 ¹
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payment	Monthly For Life	Monthly For Life
Retirement Age	50-55	52-67
Monthly Benefits, as a % of Eligible Compensation	2% to 2.7%	1% to 2.5%
Required Employee Contribution Rates	7.62%	7.00%
Required Employer Contribution Rates	12.922%	12.922%

¹ Newly hired Misc Employees will be enrolled in the 2% @ 62 formula, dependent on the individual's eligibility, as per, AB 340.

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	<u>Miscellaneous</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	380
Inactive Employees Entitled to but not yet Receiving Benefits	198
Active Employees	<u>366</u>
Total	<u><u>944</u></u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of 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 rates of employees.

Net Pension Liability – The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

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

	Miscellaneous		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 296,147,162	\$ 196,451,356	\$ 99,695,806
Changes in the year:			
Service cost	5,723,859	-	5,723,859
Interest on the total pension liability	20,882,221	-	20,882,221
Differences between actual and expected experience	568,594	-	568,594
Contribution - employer	-	9,500,835	(9,500,835)
Contribution - employee	-	2,374,586	(2,374,586)
Net investment income	-	9,803,632	(9,803,632)
Benefit payments, including refunds of employee contributions	(15,037,274)	(15,037,274)	-
Administrative expense	-	(276,948)	276,948
Net income	12,137,400	6,364,831	5,772,569
Balance at June 30, 2020 Measurement Date	\$ 308,284,562	\$ 202,816,187	\$ 105,468,375

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 the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 145,113,426
Current Discount Rate	7.15%
Net Pension Liability	\$ 105,468,375
1% Increase	8.15%
Net Pension Liability	\$ 72,525,866

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension – Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments – 5 year straight-line amortization.

All other amounts – Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2021, the City recognized pension expense of \$4,458,571 for the Miscellaneous Plan. At June 30, 2021, 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	\$ 10,435,995	\$ -
Changes in assumptions	-	(239,692)
Differences between assumptions expected and actual	3,237,886	-
Net differences between projected and actual earnings plan investments	1,481,208	-
Total	<u>\$ 15,155,089</u>	<u>\$ (239,692)</u>

The \$10,435,995 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous Plan will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Ending June 30	Annual Amortization
2022	\$ 992,586
2023	1,578,274
2024	1,086,442
2025	822,100
Total	<u>\$ 4,479,402</u>

Actuarial assumptions and information regarding the discount rate are discussed in Note 10e.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

c. Safety (Police) Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. 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 ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 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.

The plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Safety (Police) Plan		
	Tier 1	Tier 2	PEPRA
Benefit Formula	3% @ 50	3% @ 55 ¹	2.7% @ 62 ¹
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payment	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%	2% to 2.7%
Required Employee Contribution Rates	9%	9%	13%
Required Employer Contribution Rates	23.674%	20.585%	13.044%

¹ Newly hired Safety (Police) Employees will be enrolled in the 3% @ 55 or 2.7% @ 57 formula, dependent on the individual's eligibility, as per, AB 340.

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The City’s required contribution for the unfunded liability and side fund was \$2,259,127 in fiscal year 2021.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of 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 rates of employees.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

For the year ended June 30, 2021, the contributions recognized as part of pension expense for the plan were as follows:

	<u>Safety (Police)</u>
Contributions - employer	<u>\$ 4,329,030</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of the plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Safety (Police)	<u>\$ 39,511,056</u>

The City's net pension liability for the plan is measured as the proportionate share of net pension liability. The net pension liability of the plan is measured as of June 30, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2019 and 2020 was as follows:

	<u>Safety (Police)</u>
Proportion - June 30, 2019	0.55787%
Proportion - June 30, 2020	<u>0.59305%</u>
Change - Increase (Decrease)	0.03518%

For the year ended June 30, 2021, the City recognized pension expense of \$3,628,824 for the Safety (Police) Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety (Police)</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 4,329,030	\$ -
Changes in assumptions	-	(131,612)
Differences between expected and actual experience	3,063,882	-
Net differences between projected and actual earnings on plan investments	858,742	-
Change in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions	<u>2,829,375</u>	<u>(4,088,609)</u>
Total	<u>\$ 11,081,029</u>	<u>\$ (4,220,221)</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

The \$4,329,030 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, 2022. 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 Ending June 30	Annual Amortization
2022	\$ 484,654
2023	884,147
2024	732,697
2025	430,280
Total	<u>\$ 2,531,778</u>

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 the plan, calculated using the discount rate for the 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:

1% Decrease	6.15%
Net Pension Liability	\$ 62,952,479
Current Discount Rate	7.15%
Net Pension Liability	\$ 39,511,056
1% Increase	8.15%
Net Pension Liability	\$ 20,275,149

Actuarial assumptions and information regarding the discount rate are discussed in Note 10e below.

d. LPFD Safety (Fire) Plan

As discussed in Notes 8g and 10a, the employees of the LPFD are the City of Pleasanton’s employees, however, as agreed to in the JPA, the City shares equally the Safety Fire Plan affiliated with the LPFD with the City of Livermore, therefore the following tables show only the City of Pleasanton’s 50 percent share. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the net pension liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. 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 ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 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.

	Safety (Fire) Plan		
	Tier 1	Tier 2	PEPRA
Benefit Formula	3% @ 50	3% @ 55 ¹	2.7% @ 62 ¹
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payment	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%	2% to 2.7%
Required Employee Contribution Rates	9%	9%	11.25%
Required Employer Contribution Rates	20.014%	20.014%	20.014%

¹ Newly hired Safety (Police) Employees will be enrolled in the 3% @ 55 or 2.7% @ 57 formula, dependent on the individual's eligibility, as per, AB 340.

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms of the Safety (Fire) Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	120
Inactive Employees Entitled to but not yet Receiving Benefits	50
Active Employees	124
Total	<u>294</u>

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of 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 rates of employees.

Net Pension Liability – The City’s net pension liability for the Safety (Fire) Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Safety (Fire) Plan (City of Pleasanton only) is as follows:

	Safety (Fire)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 116,615,140	\$ 76,137,744	\$ 40,477,396
Changes in the year:			
Service costs	2,149,429	-	2,149,429
Interest on the total pension liability	8,166,177	-	8,166,177
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	(355,957)	-	(355,957)
Plan to plan resource movement	-	-	-
Contribution - employer	-	3,836,612	(3,836,612)
Contribution - employee	-	958,309	(958,309)
Net investment income	-	3,782,043	(3,782,043)
Benefit payments, including refunds of employee contributions	(6,243,290)	(6,243,290)	-
Administrative expense	-	(107,336)	107,336
Other miscellaneous income	-	-	-
Net income	<u>3,716,359</u>	<u>2,226,338</u>	<u>1,490,021</u>
Balance at June 30, 2020 Measurement Date	<u>\$ 120,331,499</u>	<u>\$ 78,364,082</u>	<u>\$ 41,967,417</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City of Pleasanton for the Safety (Fire) Plan, calculated using the discount rate for the Plans, 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:

1% Decrease	6.15%
Net Pension Liability	\$ 56,752,356
Current Discount Rate	7.15%
Net Pension Liability	\$ 41,967,417
1% Increase	8.15%
Net Pension Liability	\$ 29,604,749

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension – Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments – 5 year straight-line amortization

All other amounts – Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2021, the City recognized pension expense of \$5,637,165 for the Safety (Fire) Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety (Fire)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,155,479	\$ -
Changes in assumptions	957,067	(89,494)
Differences between expected and actual experience	523,267	(595,324)
Net differences between projected and actual earnings on plan investments	592,279	-
Total	\$ 6,228,092	\$ (684,818)

The \$4,155,479 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Safety (Fire) Plan (City of Pleasanton only) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Safety (Fire)	
Year Ending June 30	Annual Amortization	
2022	\$ 455,137	
2023	299,322	
2024	337,824	
2025	295,512	
Total	\$ 1,387,795	

Actuarial assumptions and information regarding the discount rate are discussed in Note 10e.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

e. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

	Miscellaneous & Safety
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry - Age Normal Cost Method in Accordance with the Requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.63%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds ¹
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.5% until Purchasing Power applies, 2.5% thereafter

¹ The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15 percent. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Defined Benefit Pension Plan (Continued)

(geometric) returns were calculated over the short-term (first 10 years) and the long term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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. The target allocation shown was adopted by the Board effective July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1-10(b)	Real Return Years 11+(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	100%		

(a) In the CalPERS CAFR, fixed income is included in Global Debt Securities; Liquidity is included in short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

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

Note 11: Post-Employment Health Care Benefits

a. Plan Description and Benefits Provided

Through its post-employment health care plan, the City provides post-retirement health care benefits, in accordance with certain employee agreements, to all employees who retire directly from the City. The plan benefit provisions and obligations to contribute are established, or may be amended, by City Council action. The effective date and benefit varies based upon the employee's classification and related memorandum of understanding (MOU).

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

PCEA/AFSCME Local 955 (Pleasanton City Employees' Association) MOU

- For PCEA employees who service retired before 7/1/2012, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent at the rate of the lowest cost HMO early retiree plan. Retirees will retire with the same retiree benefit co-pay and plan design as provided to retirees on 6/30/2011.
- For PCEA employees who were hired prior to 6/1/2011 and retire after 7/1/2012, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired after 6/1/2011, the City shall pay for each year of service equivalent to 4 percent of the City's contribution toward the monthly premium for single coverage. The City's contribution for the retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

POA (Police Officer's Association) MOU

- For POA employees who retired prior to 7/1/2009, the City shall pay for each year of service with the City of Pleasanton, 4 percent of the monthly premium for employee and one dependent of the City's current Kaiser S-1 Health Plan.
- For POA employees who were hired prior to 1/1/2009 and retire on or after 7/1/2009, the City shall pay for each year of service with the City of Pleasanton, 4 percent of the monthly premium for employee and one dependent of the City's lowest cost HMO health plan. Effective July 1st of each year of the agreement, the monthly contribution paid by the City shall be increased by the same dollar increase in medical insurance as is provided to active employees as set forth in Section 14.1 of the agreement up to the lowest cost HMO two-party rate.
- If hired after 1/1/2009 and retired from service, the City shall provide the following benefit: Employees who service retire prior to the completion of 20 years of full-time service shall receive 4 percent for each year of service of the single plan rate for the lowest cost HMO. Employees who retire after the completion of the 20 years of full time service will receive 4 percent for each year of service of the two-party rate for the lowest cost HMO.
- For all employees who are hired on or after January 1, 2012, and retire from service, the City shall provide the following benefit: Commencing upon the date of hire, the employee will be credited with four percent for each year of service of the single plan rate for the lowest cost HMO. Upon reaching Medicare eligibility age, the City's contribution toward the medical premium shall cease.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

IAFF (International Association of Firefighters) MOU

- For IAFF employees who retired prior to 1/1/2008, the City shall pay for each year of service, 4 percent of the monthly premium for employee and one dependent of the City's current Kaiser Health Plan coverage.
- For IAFF employees who were hired before 7/1/2012 and retire after 1/1/2008, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired on or after 7/1/2012, the City shall pay for each year of service equivalent to 4 percent of the City's contribution toward the monthly premium for single coverage. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

Management and Confidential MOU

- For Management and Confidential employees hired before 1/1/2009, who retired prior to 7/1/2009, the City shall pay for each year of service 4 percent of the monthly premium for the employee and one dependent of the City's current Kaiser early retiree (under age 65) health plan rate.
- Managers hired prior to 1/1/2009 who work a minimum of five years as full-time managers with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits. Employees hired before 1/1/2009 who promote to management positions may count prior years of service completed with another PERS municipal agency for the retiree medical benefit.
- For Management and Confidential employees who were hired prior to 1/21/2009 and retire on a service retirement from the City of Pleasanton, the City shall pay 4 percent for each year of service of the City's contribution toward the monthly premium for employee and one dependent. For all service retirements the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years = 90%, 25 years = 100%). Managers hired prior to 1/1/2009 who work a minimum of five years as a full-time manager with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

- If hired on or after 1/21/2009, the City shall pay 4 percent for each year of service of the City’s contribution toward the monthly premium for single coverage. For all service retirements, the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years =90%, 25 years =100%). The City’s contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits including reimbursements will cease once employees become Medicare eligible.

In the case where the employee eligible for two-party coverage is deceased, the amount the City is obligated to pay shall be reduced by one half (1/2). If a spouse remarries, the obligations by the City shall terminate. Domestic Partners shall be treated in the same manner as spouses for continuation of benefits.

For all employees mentioned above who retire for disability, the City shall pay a percentage of the monthly premium in accordance with the applicable MOU.

The City allows retirees to participate in the early retiree medical plan, which at the time of retirement has the same premium rates as active employees. Because the rate is a “blended rate,” payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were enrolled in a stand-alone health plan. The premium rate paid by a retiree depends on the retiree’s former classification, years of service, and the formula specified in the applicable MOU.

Employees Covered by Benefit Terms – Membership in the plans consisted of the following at the measurement date of June 30, 2020:

	<u>Non-Fire</u>	<u>Fire</u>
Active Plan Members	355	121
Inactive employees or beneficiaries currently receiving benefit payments	359	114
Inactive employees entitled to but not yet receiving benefit payments	<u>32</u>	<u>2</u>
Total	<u><u>746</u></u>	<u><u>237</u></u>

b. Funding Policy

In April 2011, the City established an Other Post Employment Health Benefit (OPEB) irrevocable trust, the City of Pleasanton Group Account, with the California Employer’s Retiree Benefit Trust Program (CERBT) administered by the California Public Employees’ Retirement System (CalPERS) as an agent multiple- employer plan. This trust is used to accumulate resources to fund future benefits, however, it does not represent the activities of the plan. Financial statements of CERBT are included in the CalPERS Comprehensive Annual Financial Report (CAFR). Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, California 95814.

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

c. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, that was rolled forward using standard update procedures to determine the June 30, 2021, total OPEB liability as of June 30, 2020, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Payroll Growth	Aggregate - 3%
Mortality, Retirement, Disability, Termination	Merit - CalPERS 17-2015 experience study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Healthcare Participation for Future Retirees	Current actives - 100% Current retirees - 100% if in payment status - 30% will re-elect at age 65 if not currently in payment

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 Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITS	8%	3.76%
Total	100%	

Assumed Long-Term Rate of Inflation - 2.75%

Assumed Long-Term Net Rate of Return, Rounded - 6.75%

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent. 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 liability.

d. City of Pleasanton Retiree Healthcare Plan Changes in Net OPEB Liability

The changes in the net OPEB liability for the City of Pleasanton Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/Asset (c) = (a) - (b)
Balance at June 30, 2020	\$ 82,176,000	\$ 48,275,000	\$ 33,901,000
Changes Recognized for the Measurement:			
Service Cost	1,433,000	-	1,433,000
Interest	5,500,000	-	5,500,000
Benefit Changes	-	-	-
Difference Between Expected and Actual	-	-	-
Changes of Assumptions	(1,419,000)	-	(1,419,000)
Contributions From the Employer	-	5,413,000	(5,413,000)
Net Investment Income	-	1,798,000	(1,798,000)
Benefit Payments and Refunds	(4,254,000)	(4,254,000)	-
Administrative Expenses	-	(24,000)	24,000
Net Changes	1,260,000	2,933,000	(1,673,000)
Balance at June 30, 2021	\$ 83,436,000	\$ 51,208,000	\$ 32,228,000

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$4,185,000.

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

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

Plan's Net OPEB Liability/Asset		
Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
\$ 43,282,000	\$ 32,228,000	\$ 23,113,000

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/Asset		
Healthcare Cost Trend		
Decrease 1%	Rates	Increase 1%
\$ 21,844,000	\$ 32,228,000	\$ 44,908,000

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$(3,554,000) reduction in expense for the City of Pleasanton Retiree Healthcare Plan. At June 30, 2021, 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	\$ 4,210,000	\$ -
Differences between expected and actual experience	-	(7,281,000)
Changes in assumptions	-	(2,059,000)
Net difference between projected and actual earnings on plan investments	873,000	-
Total	<u>\$ 5,083,000</u>	<u>\$ (9,340,000)</u>

The \$4,210,000 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, 2022. 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:

Measurement Period Ended	Annual Amortization
June 30	
2022	\$ (3,031,000)
2023	(2,769,000)
2024	(2,677,000)
2025	10,000
Total	<u>\$ (8,467,000)</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

e. Livermore-Pleasanton Fire Department Retiree Healthcare Plan

As discussed in Note 8g, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City equally shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the collective net OPEB liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting.

The changes in the net OPEB liability for the Livermore-Pleasanton Fire Department (LPFD) (City of Pleasanton only) Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/Asset (c) = (a) - (b)
Balance at June 30, 2020	\$ 18,798,500	\$ 10,559,500	\$ 8,239,000
Changes Recognized for the Measurement Period:			
Service Cost	369,000	-	369,000
Interest	1,267,500	-	1,267,500
Changes of Assumptions	(301,000)	-	(301,000)
Contributions From the Employer	-	1,120,500	(1,120,500)
Net Investment Income	-	399,000	(399,000)
Benefit Payments and Refunds	(785,000)	(785,000)	-
Administrative Expenses	-	(5,000)	5,000
Net Changes	<u>550,500</u>	<u>729,500</u>	<u>(179,000)</u>
Balance at June 30, 2021	<u>\$ 19,349,000</u>	<u>\$ 11,289,000</u>	<u>\$ 8,060,000</u>

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

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

Plan's Net OPEB Liability/Asset		
Discount Rate - 1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
<u>\$ 10,721,000</u>	<u>\$ 8,060,000</u>	<u>\$ 5,870,000</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 11: Post-Employment Health Care Benefits (Continued)

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/Asset		
Healthcare Cost Trend		
Decrease 1%	Rates	Increase 1%
<u>\$ 5,554,000</u>	<u>\$ 8,060,000</u>	<u>\$ 11,126,500</u>

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$756,000 for the LPFD Retiree Healthcare Plan. At June 30, 2021, 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 subsequent to measurement date	\$ 1,010,500	\$ -
Changes in assumptions	395,500	(254,000)
Differences between assumptions expected and actual experience	-	(932,000)
Net differences between projected and actual earnings on plan investments	190,500	-
Total	<u>\$ 1,596,500</u>	<u>\$ (1,186,000)</u>

The \$1,010,500 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, 2022. 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:

Measurement Period Ended	Annual Amortization
June 30	
2022	\$ (168,500)
2023	(114,500)
2024	(95,500)
2025	(105,000)
2026	(97,500)
Thereafter	(19,000)
Total	<u>\$ (600,000)</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Commitments and Contingencies

a. Animal Shelter

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during FY 1995/96. The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) entered into an agreement under which the County constructed the animal shelter on County property. The cities pay their pro rata share of the debt service and operating costs based on their usage of the animal shelter. The City's share of FY 2020/21 debt service and operating costs for the facility was \$196,385. The County will fully repay the debt service by June 30, 2022. The City's proportionate share of debt service is approximately 9.86 percent and the outstanding balance due to the County for remaining debt service payments was approximately \$36,141 at June 30, 2021.

b. Lawsuits in the Normal Course of Business

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's risk sharing programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

c. LAVWMA Bonds

The City has recorded an investment in joint venture for its participation in the Livermore-Amador Valley Water Management Agency (LAVWMA). LAVWMA issued \$105,345,000 of the 2011 Sewer Revenue Refunding Bonds (2011 Bonds) on September 28, 2011, to refinance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project originally constructed with bonds issued in 2001. The 2011 Bonds are secured by the pledge of the net revenues of the Agency. The City's contribution to debt service is limited to sewer connection fees collected on behalf of LAVWMA.

d. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2021. These projects are evidenced by contractual commitments with consultants and contractors, and include the following major projects:

<u>Project Description</u>	<u>Amount</u>
Design and Construction - Fire Station No. 3	\$ 5,266,698
Annual Street Resurfacing and Preventative Maintenance	3,457,440
Downtown Transportation Corridor Parking Lot	2,309,407
Recycled Water Treatment Plant Expansion - Phase 2	2,136,916
Sycamore & Foothill Reservoir Residual Control System	1,441,000
Total	<u>\$ 14,611,461</u>

CITY OF PLEASANTON

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 12: Commitments and Contingencies (Continued)

e. Operating Leases

The City has ongoing commitments under operating lease agreements for office equipment necessary for City operations, which expire at various dates through 2023. Each governmental fund includes the expenditures related to such lease agreements. There are both cancelable and non-cancelable lease agreements. Rental expenditures reported in the General Fund under these operating lease agreements for the fiscal year ended June 30, 2021, amounted to approximately \$197,322.

The future minimum lease payments anticipated under the existing lease commitments in governmental activities are as follows:

Future Lease Payments:

	Terms	2021/22	2022/23	2023/2024	Total
Xerox (4 copiers)	11/7/2017-11/8/2022	\$ 55,598	\$ 23,166	\$ -	\$ 78,764
Pitney Bowes (SendPro P-Series mailing system)	10/01/2018-9/30/2023	7,969	7,969	1,992	17,930
Pacific Mobile Structure (9 rentals)	10/13/2020-10/12/2021	111,364	-	-	111,364
		<u>\$ 174,931</u>	<u>\$ 31,135</u>	<u>\$ 1,992</u>	<u>\$ 208,058</u>

The City has ongoing commitments under operating lease agreements for golf carts, the GPS system, and office equipment at Callippe Preserve Golf Course, which expire at various dates through October 2022. Rental expenses reported in the Golf Fund under these operating lease agreements for the fiscal year ended June 30, 2021, amounted to \$106,755.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2021, are as follow:

Golf Fund:	2021/22	\$ 94,848
	2022/23	63,232
Total Future Minimum Annual Rents		<u>\$ 158,080</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

Budgetary Information

Budgetary Information

The following procedures are performed by the City in establishing the budgetary data reflected in the basic financial statements:

1. Prior to July 1 of every odd numbered year, the City Manager submits to the City Council a proposed two-year operating budget for the subsequent two fiscal years. The operating budget includes proposed expenditures and projected revenues.
2. Public hearings are conducted to obtain public comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved.
6. A budget review is presented to the City Council by the City Manager for the second year of the two-year budget and approved.
7. After adoption, the budget is transferred to the general ledger for staff to manage expenses and revenues against the budget.
8. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
9. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 37,274,405	\$ 37,274,405	\$ 37,274,405	\$ -
Resources (Inflows):				
Taxes	110,365,000	104,807,123	108,256,799	3,449,676
Licenses and permits	3,075,827	3,264,080	3,105,893	(158,187)
Intergovernmental	230,300	820,000	271,907	(548,093)
Charges for services	1,208,763	1,156,363	1,189,702	33,339
Use of money and property	528,750	406,000	1,118,818	712,818
Fines and forfeitures	259,500	121,500	168,070	46,570
Contributions	974,600	1,950,603	2,223,152	272,549
Developer participation	316,000	396,000	387,766	(8,234)
Miscellaneous	8,209,224	4,420,843	5,017,715	596,872
Transfers in	1,106,780	1,106,780	1,290,641	183,861
Franchises	3,285,000	2,975,000	2,941,829	(33,171)
Plan check fees	2,220,000	1,622,500	1,902,418	279,918
Amounts Available for Appropriation	169,054,149	160,321,197	165,149,115	4,827,918
Charges to Appropriation (Outflow):				
General government	18,629,649	17,292,653	15,852,825	1,439,828
Public safety	53,835,695	53,768,719	51,978,681	1,790,038
Community development	15,962,711	16,247,189	16,576,224	(329,035)
Operation services	20,943,121	18,336,201	20,130,505	(1,794,304)
Community activities	14,757,172	10,505,991	10,293,442	212,549
Capital outlay	353,790	575,751	558,500	17,251
Transfers out	7,197,345	7,550,320	6,023,592	1,526,728
Total Charges to Appropriations	131,679,483	124,276,824	121,413,769	2,863,055
Budgetary Fund Balance, June 30	\$ 37,374,666	\$ 36,044,373	\$ 43,735,346	\$ 7,690,973

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 LOWER INCOME HOUSING FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,357,205	\$ 10,357,205	\$ 10,357,205	\$ -
Resources (Inflows):				
Use of money and property	345,000	385,000	1,084,794	699,794
Developer participation	1,037,818	1,037,818	837,895	(199,923)
Miscellaneous	760,000	760,000	70,291	(689,709)
Amounts Available for Appropriations	12,500,023	12,540,023	12,350,185	(189,838)
Charges to Appropriation (Outflow):				
Community development	342,094	2,243,816	1,190,131	1,053,685
Total Charges to Appropriations	342,094	2,243,816	1,190,131	1,053,685
Budgetary Fund Balance, June 30	\$ 12,157,929	\$ 10,296,207	\$ 11,160,054	\$ 863,847

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Changes in the Net Pension Liability and Related Ratios

Measurement Period	2015	2016	2017	2018
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Total Pension Liability				
Service cost	\$ 4,784,381	\$ 4,620,237	\$ 4,642,360	\$ 5,161,399
Interest on total pension liability	16,162,509	16,848,783	17,579,426	18,145,556
Changes in assumptions	-	(4,043,655)	-	14,750,758
Differences between expected and actual experience	-	(1,853,569)	(600,717)	(892,842)
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)
Net change in total pension liability	11,035,273	5,039,038	9,496,890	24,585,726
Total Pension Liability-beginning	218,063,744	229,099,017	234,138,055	243,634,945
Total Pension Liability-ending (a)	\$ 229,099,017	\$ 234,138,055	\$ 243,634,945	\$ 268,220,671
Plan Fiduciary Net Position				
Contributions-employer	\$ 6,912,621	\$ 12,476,826	\$ 7,313,803	\$ 6,881,221
Contributions-employee	1,956,863	1,936,755	1,841,400	2,201,929
Net investment income	23,466,228	3,697,901	995,694	18,392,392
Other miscellaneous income	-	-	-	-
Benefit payments	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)
Plan to plan resource movement	-	47	-	-
Administrative expense	-	(185,591)	(100,483)	(240,366)
Net change in plan fiduciary net position	22,424,095	7,393,180	(2,073,765)	14,656,031
Plan Fiduciary Net Position-beginning	135,058,277	157,482,372	164,875,552	162,801,787
Plan Fiduciary Net Position-ending (b)	\$ 157,482,372	\$ 164,875,552	\$ 162,801,787	\$ 177,457,818
Net pension liability-ending (a) - (b)	\$ 71,616,645	\$ 69,262,503	\$ 80,833,158	\$ 90,762,853
Plan fiduciary net position as a percentage of the total pension liability	68.74%	70.42%	66.82%	66.16%
Covered payroll	\$ 24,742,104	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540
Net pension liability as a percentage of covered payroll	289.45%	276.95%	314.85%	355.15%
Changes of Assumptions				
Accounting Discount Rate	7.50%	7.65%	7.65%	7.15%
				Demographic and inflation rate were changed

Notes to Schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>
June 30, 2018	June 30, 2019	June 30, 2020
\$ 5,553,995	\$ 5,641,356	\$ 5,723,859
18,845,304	20,052,323	20,882,221
(1,677,841)	-	-
939,844	6,305,281	568,594
<u>(13,377,947)</u>	<u>(14,355,824)</u>	<u>(15,037,274)</u>
10,283,355	17,643,136	12,137,400
268,220,671	278,504,026	296,147,162
<u>\$ 278,504,026</u>	<u>\$ 296,147,162</u>	<u>\$ 308,284,562</u>
\$ 7,497,182	\$ 8,420,069	\$ 9,500,835
2,169,969	2,216,373	2,374,586
15,054,343	12,305,193	9,803,632
(525,132)	437	-
(13,377,947)	(14,355,824)	(15,037,274)
(437)	-	-
<u>(276,528)</u>	<u>(134,160)</u>	<u>(276,948)</u>
10,541,450	8,452,088	6,364,831
177,457,818	187,999,268	196,451,356
<u>\$ 187,999,268</u>	<u>\$ 196,451,356</u>	<u>\$ 202,816,187</u>
<u>\$ 90,504,758</u>	<u>\$ 99,695,806</u>	<u>\$ 105,468,375</u>
67.50%	66.34%	65.79%
\$ 27,648,324	\$ 28,396,120	\$ 29,392,271
327.34%	351.09%	358.83%
7.15%	7.15%	7.15%

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Safety (Fire) Plan				
Agent Multiple-Employer Defined Benefit Pension Plan				
Last 10 Years**				
Schedule of Changes in the Net Pension Liability and Related Ratios				
During the Measurement Period				
Measurement Period	2015	2016	2017	2018
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Total Pension Liability				
Service cost	\$ 3,647,581	\$ 3,440,755	\$ 3,675,812	\$ 4,380,642
Interest on total pension liability	13,303,540	13,761,314	14,305,583	14,640,730
Changes in assumptions	-	(3,164,073)	-	11,484,814
Differences between expected and actual experience	-	(1,720,368)	(250,882)	(1,709,382)
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)
Net change in total pension liability	7,758,854	2,595,190	7,544,770	18,292,806
Total Pension Liability-beginning	180,152,886	187,911,740	190,506,930	198,051,700
Total Pension Liability-ending (a)	\$ 187,911,740	\$ 190,506,930	\$ 198,051,700	\$ 216,344,506
Plan Fiduciary Net Position				
Contributions-employer	\$ 4,539,230	\$ 4,930,309	\$ 5,361,714	\$ 6,071,682
Contributions-employee	1,168,645	1,221,550	1,391,002	1,551,969
Net investment income	19,743,524	2,855,434	671,305	14,098,740
Other miscellaneous income	-	-	-	-
Benefit payments	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)
Plan to plan resource movement	-	(285)	-	-
Administrative expense	-	(146,155)	(79,149)	(187,549)
Net change in plan fiduciary net position	16,259,132	(861,585)	(2,840,871)	11,030,844
Plan Fiduciary Net Position-beginning	114,471,993	130,731,125	129,869,540	127,028,669
Plan Fiduciary Net Position-ending (b)	\$ 130,731,125	\$ 129,869,540	\$ 127,028,669	\$ 138,059,513
Net pension liability-ending (a) - (b)	\$ 57,180,615	\$ 60,637,390	\$ 71,023,031	\$ 78,284,993
City Share (50%)	\$ 28,590,308	\$ 30,318,696	\$ 35,511,515	\$ 39,142,496
Plan fiduciary net position as a percentage of the total pension liability	69.57%	68.17%	64.14%	63.81%
Covered payroll	\$ 13,543,667	\$ 13,131,650	\$ 14,128,499	\$ 15,376,607
Net pension liability as a percentage of covered payroll	422.19%	461.77%	502.69%	509.12%
Changes in Assumptions				
Accounting Discount Rate	7.50%	7.65%	7.65%	7.15%

Notes to Schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2019	2020	2021
June 30, 2018	June 30, 2019	June 30, 2020
\$ 4,233,715	\$ 4,160,503	\$ 4,298,858
15,101,959	15,816,781	16,332,352
(592,040)	-	-
(1,188,776)	2,043,232	(711,914)
<u>(10,928,666)</u>	<u>(11,760,936)</u>	<u>(12,486,579)</u>
6,626,192	10,259,580	7,432,717
<u>216,344,506</u>	<u>222,970,698</u>	<u>233,230,278</u>
\$ 222,970,698	\$ 233,230,278	\$ 240,662,995
\$ 6,172,990	\$ 6,628,841	\$ 7,673,223
1,765,387	1,764,603	1,916,617
11,736,933	9,564,819	7,564,086
(408,545)	340	-
(10,928,666)	(11,760,936)	(12,486,579)
(340)	-	-
<u>(215,135)</u>	<u>(104,319)</u>	<u>(214,671)</u>
8,122,624	6,093,348	4,452,676
<u>138,059,513</u>	<u>146,182,137</u>	<u>152,275,485</u>
\$ 146,182,137	\$ 152,275,485	\$ 156,728,161
<u>\$ 76,788,561</u>	<u>\$ 80,954,793</u>	<u>\$ 83,934,834</u>
\$ 38,394,281	\$ 40,477,397	\$ 41,967,417
65.56%	65.29%	65.12%
\$ 14,858,791	\$ 13,095,633	\$ 14,331,483
516.79%	618.18%	585.67%
7.15%	7.15%	7.15%

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Safety (Police) Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Proportionate Share of Net Pension Liability
During the Measurement Period

Measurement Period	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Safety (Police)				
Plan's proportion of the Net Pension Liability (Asset)	0.62067%	0.55410%	0.57268%	0.51615%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 23,281,243	\$ 22,831,189	\$ 29,660,239	\$ 30,840,762
Plan's Covered Payroll	\$ 7,810,882	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a percentage of its Covered Payroll	298.06%	301.83%	394.14%	340.24%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	0.57572%	0.57730%	0.55691%	0.55955%

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>
June 30, 2018	June 30, 2019	June 30, 2020
0.53134%	0.55787%	0.59305%
\$ 31,176,806	\$ 34,825,255	\$ 39,511,056
\$ 8,659,767	\$ 9,205,257	\$ 9,457,832
360.02%	378.32%	417.76%
0.56826%	0.56027%	0.53708%

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions**

Fiscal Year Ended June 30	2015	2016	2017	2018
Actuarial Determined Contribution	\$ 6,476,826	\$ 7,326,646	\$ 6,884,294	\$ 7,475,803
Contribution in relation to the Actuarially Determined Contribution	(12,476,826)	(7,326,646)	(6,884,294)	(7,475,803)
Contribution Deficiency (Excess)	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540	\$ 27,648,324
Contributions as a percentage of covered payroll	49.80%	28.54%	26.94%	27.04%

Notes to Schedule:

Valuation date June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal cost method
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method
Inflation
Salary increases
Payroll growth
Investment rate of return
Retirement age

Market Value
2.63%
Varies by Entry Age and Service
2.88%
7.25%, net of pension plan investment expenses, including inflation.
The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2016 published by the Society of Actuaries.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 8,273,189	\$ 9,358,934	\$ 10,435,995
<u>(8,273,189)</u>	<u>(9,358,934)</u>	<u>(10,435,995)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,396,120	\$ 29,392,271	\$ 30,000,660
29.13%	31.84%	34.79%

CITY OF PLEASANTON

**REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Safety (Fire) Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions**

Fiscal Year Ended June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarial Determined Contribution	\$ 4,880,354	\$ 5,390,058	\$ 6,313,962	\$ 6,009,558
Contribution in relation to the Actuarially Determined Contribution (City of Livermore's Share)	(2,440,177)	(2,695,029)	(3,156,981)	(3,004,779)
Contribution in relation to the Actuarially Determined Contribution (City of Pleasanton's Share)	(2,440,177)	(2,695,029)	(3,156,981)	(3,004,779)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,131,650	\$ 14,128,499	\$ 15,376,607	\$ 14,858,791
Contributions as a percentage of covered payroll	18.58%	19.08%	20.53%	20.22%

Notes to Schedule:

Valuation date June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal cost method
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method
Inflation
Salary increases
Payroll growth
Investment rate of return
Retirement age

Market Value
2.63%
Varies by Entry Age and Service
2.88%
7.25%, net of pension plan investment expenses, including inflation.
The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015

Mortality

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2016 published by the Society of Actuaries

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,117,340 (3,058,670)	\$ 7,679,832 (3,839,916)	\$ 8,310,958 (4,155,479)
(3,058,670)	(3,839,916)	(4,155,479)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,095,633 23.36%	\$ 14,331,483 26.79%	\$ 14,700,412 28.27%

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Safety (Police) Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years**
Schedule of Plan Contributions

Fiscal Year Ended June 30	2015	2016	2017	2018
Actuarial Determined Contribution	\$ 2,638,355	\$ 1,599,423	\$ 3,542,737	\$ 2,516,591
Contribution in relation to the Actuarially Determined Contribution	(7,138,355)	(3,190,123)	(6,159,217)	(2,516,591)
Contribution Deficiency (Excess)	<u>\$ (4,500,000)</u>	<u>\$ (1,590,700)</u>	<u>\$ (2,616,480)</u>	<u>\$ -</u>
Covered payroll	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484	\$ 8,659,767
Contributions as a percentage of covered payroll	94.37%	42.39%	67.95%	29.06%

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 3,321,452	\$ 3,699,768	\$ 4,329,030
(3,321,452)	(3,699,768)	(4,329,030)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,205,257	\$ 9,457,832	\$ 9,911,984
36.08%	39.12%	43.67%

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

CITY OF PLEASANTON RETIREE HEALTHCARE PLAN
Schedule of Changes in the Net OPEB Liability and Related Ratios
Agent Multiple-Employer Plan
Last 10 Years**

Measurement Period Measurement Date	<u>2018</u> June 30, 2017	<u>2019</u> June 30, 2018	<u>2020</u> June 30, 2019	<u>2021</u> June 30, 2020
Total OPEB Liability				
Service cost	\$ 1,677,000	\$ 1,727,000	\$ 1,779,000	\$ 1,433,000
Interest on the total OPEB liability	5,673,000	5,939,000	6,193,000	5,500,000
Differences between expected and actual experiences	-	-	(12,135,000)	-
Changes in assumptions	-	-	(1,540,000)	(1,419,000)
Benefit payments	<u>(3,285,000)</u>	<u>(3,670,000)</u>	<u>(4,201,000)</u>	<u>(4,254,000)</u>
Net change in total OPEB liability	4,065,000	3,996,000	(9,904,000)	1,260,000
Total OPEB liability - beginning	84,019,000	88,084,000	92,080,000	82,176,000
Total OPEB liability - ending (a)	88,084,000	92,080,000	82,176,000	83,436,000
OPEB Plan Fiduciary Net Position				
Contribution - employer	5,898,000	4,800,000	5,521,000	5,413,000
Net investment income	3,662,000	3,211,000	2,753,000	1,798,000
Benefit payments	(3,285,000)	(3,670,000)	(4,201,000)	(4,254,000)
Administrative expense	<u>(19,000)</u>	<u>(75,000)</u>	<u>(9,000)</u>	<u>(24,000)</u>
Net change in plan fiduciary net position	6,256,000	4,266,000	4,064,000	2,933,000
Plan fiduciary net position - beginning	33,689,000	39,945,000	44,211,000	48,275,000
Plan fiduciary net position - ending (b)	39,945,000	44,211,000	48,275,000	51,208,000
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 48,139,000	\$ 47,869,000	\$ 33,901,000	\$ 32,228,000
Plan fiduciary net position as a percentage of the total OPEB liability	45.35%	48.01%	58.75%	61.37%
Covered-employee payroll	\$ 37,661,000	\$ 39,630,000	\$ 40,367,000	\$ 42,264,000
Net OPEB liability as a percentage of covered-employee payroll	127.82%	120.79%	83.98%	76.25%

**Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

CITY OF PLEASANTON
LIVERMORE-PLEASANTON FIRE DEPARTMENT RETIREE HEALTHCARE PLAN
Schedule of Changes in the Net OPEB Liability and Related Ratios
Agent Multiple-Employer Plan **

Measurement Period Measurement Date	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service cost	\$ 772,000	\$ 795,000	\$ 819,000	\$ 738,000
Interest on the total OPEB liability	2,281,000	2,405,000	2,525,000	2,535,000
Differences between expected and actual experiences	-	-	(2,710,000)	-
Changes in assumptions	-	-	1,151,000	(602,000)
Benefit payments	(1,160,000)	(1,341,000)	(1,544,000)	(1,570,000)
Net change in total OPEB liability	1,893,000	1,859,000	241,000	1,101,000
Total OPEB liability - beginning	33,604,000	35,497,000	37,356,000	37,597,000
Total OPEB liability - ending (a)	35,497,000	37,356,000	37,597,000	38,698,000
Plan Fiduciary Net Position				
Contribution - employer	2,379,000	2,110,000	2,298,000	2,241,000
Net investment income	1,555,000	1,378,000	1,198,000	798,000
Benefit payments	(1,160,000)	(1,341,000)	(1,544,000)	(1,570,000)
Administrative expense	(8,000)	(32,000)	(4,000)	(10,000)
Net change in plan fiduciary net position	2,766,000	2,115,000	1,948,000	1,459,000
Plan fiduciary net position - beginning	14,290,000	17,056,000	19,171,000	21,119,000
Plan fiduciary net position - ending (b)	17,056,000	19,171,000	21,119,000	22,578,000
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 18,441,000	\$ 18,185,000	\$ 16,478,000	\$ 16,120,000
City Share (50%)	\$ 9,220,500	\$ 9,092,500	\$ 8,239,000	\$ 8,060,000
Plan fiduciary net position as a percentage of the total OPEB liability	48.05%	51.32%	56.17%	58.34%
Covered-employee payroll	\$ 19,761,000	\$ 21,285,000	\$ 21,990,000	\$ 22,179,000
Net OPEB liability as a percentage of covered-employee payroll	93.32%	85.44%	74.93%	72.68%

** Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF PLEASANTON

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

CITY OF PLEASANTON RETIREE HEALTHCARE PLAN
Schedule of Contributions
Agent Multiple-Employer Plan
Last 10 Years**

	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 4,971,000	\$ 5,368,000	\$ 5,480,000	\$ 3,991,000
Contribution in Relation to the Actuarially Determined Contributions	(4,800,000)	(5,521,000)	(5,413,000)	(4,210,000)
Contribution Deficiency (Excess)	\$ 171,000	\$ (153,000)	\$ 67,000	\$ (219,000)
Covered-employee payroll	\$ 39,630,000	\$ 40,367,000	\$ 42,264,000	\$ 44,216,000
Contributions as a percentage of covered-employee payroll	12.11%	13.68%	12.81%	9.52%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2015	June 30, 2017	June 30, 2017	June 30, 2019
Actuarial Cost Method	Entry Age Normal, Level	Entry Age Normal, Level	Entry Age Normal, Level	Entry Age Normal, Level
Amortization Method	Percentage of Pay	Percentage of Pay	Percentage of Pay	Percentage of Pay
Amortization Period	Level Percentage of pay	Level Percentage of pay	Level Percentage of pay	Level Percentage of pay
Asset Valuation Method	21-year fixed period for 2017/18	20-year fixed period for 2018/19	19-year fixed period for 2019/20	18-year fixed period for 2020/21
Discount Rate	Investment gains and losses spread over 5- year rolling period	Investment gains and losses spread over 5- year rolling period	Investment gains and losses spread over 5- year rolling period	Investment gains and losses spread over 5- year rolling period
General Inflation	7.25%	6.75%	6.75%	6.75%
Medical Trend	3.00%	2.75%	2.75%	2.75%
Mortality	Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076
Mortality Improvement	Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076
	CalPERS 1997-2011 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study
	Mortality projected fully generational with Scale MP-14 with 15 year convergence in 2022	Mortality projected fully generational with Scale MP-2017	Mortality projected fully generational with Scale MP-2017	Mortality projected fully generational with Scale MP-2019

**Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years information will be displayed up to 10 years as information becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

CITY OF PLEASANTON
LIVERMORE-PLEASANTON FIRE DEPARTMENT RETIREE HEALTHCARE PLAN
Schedule of Contributions
Agent Multiple-Employer Plan*

Fiscal Year	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 2,143,000	\$ 2,216,000	\$ 2,267,000	\$ 2,032,000
Contribution in Relation to the Actuarially Determined Contributions (City of Livermore's Share)	(1,055,000)	(1,149,000)	(1,120,500)	(1,010,500)
Contribution in Relation to the Actuarially Determined Contributions (City of Pleasanton's Share)	(1,055,000)	(1,149,000)	(1,120,500)	(1,010,500)
Contribution Deficiency (Excess)	\$ 33,000	\$ (82,000)	\$ 26,000	\$ 11,000
Covered-employee payroll	\$ 21,285,000	\$ 21,990,000	\$ 22,179,000	\$ 23,584,000
Contributions as a percentage of covered-employee payroll	9.91%	10.45%	10.10%	8.57%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015	June 30, 2017	June 30, 2017	June 30, 2019
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay	Entry Age Normal, Level Percentage of Pay	Entry Age Normal, Level Percentage of Pay	Entry Age Normal, Level Percentage of Pay
Amortization Method	Level Percentage of pay	Level Percentage of pay	Level Percentage of pay	Level Percentage of pay
Amortization Period	21-year fixed period for 2017/18	20-year fixed period for 2018/19	19-year fixed period for 2019/20	18-year fixed period for 2020/21
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%	6.75%	6.75%
General Inflation	3.00%	2.75%	2.75%	2.75%
Medical Trend	Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21 Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997-2011 experience study Mortality projected fully generational with Scale MP-14 with 15 year convergence in 2022	CalPERS 1997-2015 experience study Mortality projected fully generational with Scale MP-2017	CalPERS 1997-2015 experience study Mortality projected fully generational with Scale MP-2017	CalPERS 1997-2015 experience study Mortality projected fully generational with Scale MP-2019
Mortality Improvement				

*Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

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SUPPLEMENTARY INFORMATION

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

D.A.R.E. Trust

The Drug Abuse Resistance Education (D.A.R.E.) fund accounts for private donations made to specifically enhance the City's D.A.R.E. program.

Asset Forfeiture

This fund accounts for the proceeds from assets forfeited as a result of investigations of criminal offenses, generally narcotics related. In accordance with the Health and Safety Code Section 11489, the funds must be used for law enforcement and prosecution efforts.

Central Business District (CBD) Parking In-Lieu

This fund accounts for fees collected from developers in the downtown area in lieu of providing required parking. The City will use this money to build downtown parking structures in the future.

Resource Management

This fund accounts for Measure D revenues from Alameda County as well as other mitigation revenues. The City has developed a variety of recycling programs in accordance with state and county requirements.

Miscellaneous Donations

This fund is used to account for donations made to the City for equipment or to enhance services in accordance with the donor's requests.

Landscape and Lighting Districts

Residents of five different subdivisions (Ponderosa 84-1, Windsor 93-1, Bond 93-2, Moller 95-1 and Oak Tree Farms 94-1) participate in landscape maintenance districts that pay to maintain and repair designated landscaped and open space areas. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Geologic Hazard Assessment Districts

Residents of four different subdivisions (Lemoine, Laurel Creek, Moller and Oak Tree Farm) participate in assessment districts that will pay for any landslide repairs and related geologic work. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Measure B Transportation Improvements

This fund accounts for moneys received from voter-approved Measure B which is to be used for street construction, repair, and maintenance and for bicycle and pedestrian safety projects.

Gas Tax

The City receives its share of gas tax from the State and uses the funds to construct, reconstruct and maintain streets throughout the City as designated in the annual capital improvement program.

HOME Program

The HOME Investment Partnerships Program (HOME) is funded through a federal grant from the U.S. Department of Housing and Urban Development. The City receives its annual formula allocation and the funds must be used for housing projects that benefit lower income persons.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Abandoned Vehicle

The City receives funds from a vehicle registration surcharge for abatement of abandoned vehicles. The funds are used to cover the costs associated with the handling of abandoned vehicles.

Urban Forestry Program

This fund was created to promote conservation and public education in regard to Pleasanton's street trees, park trees and trees on private property. Revenue sources include donations and fines assessed for damaging heritage trees.

Library Trust

This fund was established in fiscal year 2000/01 to account for donations made to the library. Funds will be expended for equipment and enhanced services in accordance with donor's requests.

Miscellaneous Grants

This fund includes various grant revenues received for the Used Oil program, law enforcement expenditures and literacy programs.

HBPOA Maintenance District

This fund receives revenue from the Hacienda Business Park Owners Association to maintain the traffic signals within their business park. The City administers the maintenance contracts.

Community Development Block Grant

The Community Development Block Grant (CDBG) program is funded through a federal grant from the U.S. Department of Housing and Urban Development. CDBG funds must be used for projects and activities that benefit at least 70 percent lower income persons. Eligible projects include capital improvements, housing rehabilitation, public services, and economic development activities.

Downtown Economic Loan

This fund was established in fiscal year 1995/96 to provide design and other assistance to downtown merchants to improve their facades. Proposed expenditures in the future will be loans to merchants.

Community Access Television

Under City Ordinance No. 2013, Section 6.54.060 of the Pleasanton Municipal Code, the City collects one percent (1%) of gross revenues from Cable Operators to support PEG (public, educational and governmental) channel facilities. This fund accounts for collection of PEG revenues and the capital expenditures related to PEG channel facilities.

Marilyn Murphy Kane Trail Reserve

This fund accounts for the unspent portion of a donation received for the construction of the Marilyn Murphy Kane Trail. The remaining funds will be spent on design and construction services to install additional trees along the Marilyn Murphy Kane Trail on the City's Bernal property.

Specific Plans

Under Government Code Section 65450-65457, the City has established specific plans to develop policies, programs, and regulations for implementing its general plan in site-specific areas. Fees collected under these plans for the construction of infrastructure in these specific areas of the City are accounted for in this fund. This fund currently consists of the Happy Valley Specific Plan, the Vineyard Avenue Corridor Specific Plan, and the Stoneridge Drive Specific Plan.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Vehicle Registration Fees

This fund accounts for moneys received from voter approved Measure F which is to be used for repair and maintenance of local streets and roads and the improvement of traffic flow, public transportation, and bicyclist, pedestrian, and driver safety.

Measure BB Transportation Improvements

This fund accounts for moneys received from voter-approved Measure BB which is to be used for transportation priorities that includes streets and roads improvements, bicycle/pedestrian enhancements, and transit related projects.

AB1379 CASp Certification and Training

This fund accounts for the fees collected from business license applicants as mandated by Assembly Bill No. 1379 and are to be used for increased certified access specialist (CASp) training and certification within the City and to facilitate compliance with construction-related accessibility requirements.

Business Support Program

This fund accounts for the loans provided to independently or locally owned micro-enterprises, restaurants and retail businesses located in Pleasanton to assist them in remaining solvent during the COVID-19 emergency.

Pleasanton Garbage Service Rate Reserve

This fund accounts for the Rate Reserve Calculation proceeds received from Pleasanton Garbage Services (PGS) during FY 2019/20, as per the Rate Reserve Agreement, dated March 20, 2018, between the City and PGS. The funds will be allocated to future projects at a later date.

Landscape Maintenance North Pleasanton Improvement District (N.P.I.D.)

This fund accounts for the portion of the N.P.I.D. #3 funds that have been designated for the temporary maintenance of freeway on-ramps landscape.

NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary and Special Revenue Funds.

Park Capital Improvement Program

This fund is used to account for the construction, reconstruction, and maintenance of City parks as adopted in the annual parks capital improvement program.

CIP for Downtown and North Pleasanton

This fund was set up in fiscal year 2007/08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

Public Facilities

This fund receives revenues from developers of properties. The moneys are used for the purchase of equipment or construction of facilities related to the new property development as adopted in the annual miscellaneous capital improvement program.

Park Development

This fund receives revenues from developers of properties and the funds may only be used for the design, development, and construction of new parks within the City.

Street Capital Improvement Program

This fund receives contributions from the General Fund to be used for the construction, reconstruction and maintenance of City streets as adopted in the annual streets capital improvement program.

Traffic Impact

This fund receives revenues from developers of commercial and residential properties. The funds may only be used for traffic and street improvements.

Traffic Impact Bernal Property

This fund was set up in fiscal year 2000/01. A percentage of the traffic impact fees collected from developers were deposited in this fund and used for the construction of the Bernal interchange.

Budgeted Developer Projects

This fund receives revenue from developers for specific capital improvement projects.

Assessment District Construction

This fund includes the construction funds of Assessment District NPID 1 and Assessment District Stoneridge Business Center. The projects include street and intersection improvements.

Tri-Valley Transportation

The City, as a member of the Tri-Valley Transportation Council, collects a fee from developers to finance projects to reduce traffic related impacts caused by future developments.

CITY OF PLEASANTON

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>D.A.R.E Trust</u>	<u>Asset Forfeiture</u>	<u>CBD Parking In-Lieu</u>	<u>Resource Management</u>
Assets:				
Pooled cash and investments	\$ 18,773	\$ 27,918	\$ 716,401	\$ 1,141,720
Receivables:				
Accounts	-	-	-	58,400
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	59	50	2,239	3,209
Grants	-	-	-	-
Total Assets	\$ 18,832	\$ 27,968	\$ 718,640	\$ 1,203,329
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 65,227
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	-	65,227
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	18,832	27,968	-	1,138,102
Assigned	-	-	718,640	-
Unassigned	-	-	-	-
Total Fund Balances	18,832	27,968	718,640	1,138,102
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,832	\$ 27,968	\$ 718,640	\$ 1,203,329

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Donations	Landscape and Lighting Districts	Landscape Maintenance N.P.I.D	Geologic Hazard Assessment Districts
Assets:				
Pooled cash and investments	\$ 430,989	\$ 433,473	\$ 1,052,040	\$ 1,384,572
Receivables:				
Accounts	-	298	872	1,717
Taxes	-	-	-	-
Notes and loans	-	-	67,423	-
Accrued interest	350	1,337	3,268	4,300
Grants	-	-	-	-
Total Assets	\$ 431,339	\$ 435,108	\$ 1,123,603	\$ 1,390,589
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 26,211	\$ -	\$ 11,050
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	26,211	-	11,050
Deferred Inflows of Resources:				
Unavailable revenues	-	-	67,423	-
Total Deferred Inflows of Resources	-	-	67,423	-
Fund Balances:				
Restricted	431,339	408,897	1,056,180	1,379,539
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	431,339	408,897	1,056,180	1,379,539
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 431,339	\$ 435,108	\$ 1,123,603	\$ 1,390,589

CITY OF PLEASANTON

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds			
	Measure B Transportation Improvements	Gas Tax	HOME Program	Abandoned Vehicle
Assets:				
Pooled cash and investments	\$ 1,661,945	\$ 4,640,767	\$ -	\$ 109,677
Receivables:				
Accounts	-	10,000	112,779	9,638
Taxes	247,925	462,637	-	-
Notes and loans	-	-	1,763,987	-
Accrued interest	4,439	12,120	147,879	497
Grants	-	-	-	-
Total Assets	\$ 1,914,309	\$ 5,125,524	\$ 2,024,645	\$ 119,812
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 37,487	\$ 475,106	\$ 25,621	\$ -
Accrued liabilities	-	-	393	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	86,765	-
Advances from other funds	-	-	-	-
Total Liabilities	37,487	475,106	112,779	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,911,866	-
Total Deferred Inflows of Resources	-	-	1,911,866	-
Fund Balances:				
Restricted	1,876,822	4,650,418	-	119,812
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,876,822	4,650,418	-	119,812
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,914,309	\$ 5,125,524	\$ 2,024,645	\$ 119,812

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
Assets:				
Pooled cash and investments	\$ 246,156	\$ 59,510	\$ 2,930	\$ -
Receivables:				
Accounts	-	-	848,911	56,717
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	1,136	-	2,259	-
Grants	-	-	-	-
Total Assets	\$ 247,292	\$ 59,510	\$ 854,100	\$ 56,717
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,793	\$ -	\$ 76,235	\$ 12,774
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	25,188	-
Due to other funds	-	-	1,450,091	43,943
Advances from other funds	-	-	-	-
Total Liabilities	2,793	-	1,551,514	56,717
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	244,499	59,510	-	-
Assigned	-	-	-	-
Unassigned	-	-	(697,414)	-
Total Fund Balances	244,499	59,510	(697,414)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 247,292	\$ 59,510	\$ 854,100	\$ 56,717

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve
Assets:				
Pooled cash and investments	\$ -	\$ 29,317	\$ 1,581,085	\$ 116,123
Receivables:				
Accounts	38,429	-	53,446	-
Taxes	-	-	-	-
Notes and loans	490,904	-	-	-
Accrued interest	195,390	92	4,778	363
Grants	459,699	-	-	-
Total Assets	\$ 1,184,422	\$ 29,409	\$ 1,639,309	\$ 116,486
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 250,815	\$ -	\$ -	\$ -
Accrued liabilities	3,928	-	-	-
Unearned revenues	47,893	-	-	-
Due to other funds	195,492	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	498,128	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	686,294	-	-	-
Total Deferred Inflows of Resources	686,294	-	-	-
Fund Balances:				
Restricted	-	-	1,639,309	116,486
Assigned	-	29,409	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	29,409	1,639,309	116,486
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,184,422	\$ 29,409	\$ 1,639,309	\$ 116,486

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Specific Plans	Vehicle Registration Fees	Measure BB Transportation Improvements	AB1379 CASp Certification and Training
Assets:				
Pooled cash and investments	\$ 851,678	\$ 536,255	\$ 1,949,334	\$ 56,546
Receivables:				
Accounts	-	61,887	-	-
Taxes	-	-	217,795	-
Notes and loans	-	-	-	-
Accrued interest	2,669	1,413	5,456	181
Grants	-	-	-	-
Total Assets	\$ 854,347	\$ 599,555	\$ 2,172,585	\$ 56,727
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 42,500	\$ 49,382	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	42,500	49,382	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	854,347	557,055	2,123,203	56,727
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	854,347	557,055	2,123,203	56,727
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 854,347	\$ 599,555	\$ 2,172,585	\$ 56,727

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds		Capital Projects Funds	
	Business Support Program	Pleasanton Garbage Service Rate Reserve	CIP for Downtown & North Pleasanton	Public Facilities
Assets:				
Pooled cash and investments	\$ 1,746,737	\$ 3,427,489	\$ 3,275,466	\$ 4,053,109
Receivables:				
Accounts	-	-	-	185
Taxes	-	-	-	-
Notes and loans	1,277,500	-	633,506	-
Accrued interest	5,461	10,712	10,179	17,390
Grants	-	-	-	-
Total Assets	\$ 3,029,698	\$ 3,438,201	\$ 3,919,151	\$ 4,070,684
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 502,255
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	-	502,255
Deferred Inflows of Resources:				
Unavailable revenues	1,277,500	-	633,506	-
Total Deferred Inflows of Resources	1,277,500	-	633,506	-
Fund Balances:				
Restricted	1,752,198	3,438,201	3,285,645	3,568,429
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,752,198	3,438,201	3,285,645	3,568,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,029,698	\$ 3,438,201	\$ 3,919,151	\$ 4,070,684

CITY OF PLEASANTON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	<u>Capital Projects Funds</u>			
	<u>Park Development</u>	<u>Park Capital Improvement Program</u>	<u>Street Capital Improvement Program</u>	<u>Traffic Impact</u>
Assets:				
Pooled cash and investments	\$ 10,418,683	\$ 1,602,518	\$ 12,015,170	\$ 10,407,138
Receivables:				
Accounts	394	-	95,095	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	28,997	2,866	34,081	30,062
Grants	-	-	-	-
Total Assets	<u>\$ 10,448,074</u>	<u>\$ 1,605,384</u>	<u>\$ 12,144,346</u>	<u>\$ 10,437,200</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 77,560	\$ 381,190	\$ 81,172	\$ 47,657
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	581,955	-	-
Total Liabilities	<u>77,560</u>	<u>963,145</u>	<u>81,172</u>	<u>47,657</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	10,370,514	-	-	10,389,543
Assigned	-	642,239	12,063,174	-
Unassigned	-	-	-	-
Total Fund Balances	<u>10,370,514</u>	<u>642,239</u>	<u>12,063,174</u>	<u>10,389,543</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,448,074</u>	<u>\$ 1,605,384</u>	<u>\$ 12,144,346</u>	<u>\$ 10,437,200</u>

CITY OF PLEASANTON

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Capital Projects Funds				Total Non-major Governmental Funds
	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	
Assets:					
Pooled cash and investments	\$ 3,276	\$ 10,220,759	\$ 1,323,007	\$ 2,070,116	\$ 77,610,677
Receivables:					
Accounts	-	-	-	-	1,348,768
Taxes	-	-	-	-	928,357
Notes and loans	-	-	-	-	4,233,320
Accrued interest	2,526	31,814	4,239	6,408	578,219
Grants	-	-	-	-	459,699
Total Assets	\$ 5,802	\$ 10,252,573	\$ 1,327,246	\$ 2,076,524	\$ 85,159,040
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 65,948	\$ -	\$ 2,230,983
Accrued liabilities	-	-	-	-	4,321
Unearned revenues	-	-	-	-	73,081
Due to other funds	5,802	-	-	-	1,782,093
Advances from other funds	-	-	-	-	581,955
Total Liabilities	5,802	-	65,948	-	4,672,433
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	4,576,589
Total Deferred Inflows of Resources	-	-	-	-	4,576,589
Fund Balances:					
Restricted	-	10,252,573	1,261,298	2,076,524	63,153,970
Assigned	-	-	-	-	13,453,462
Unassigned	-	-	-	-	(697,414)
Total Fund Balances	-	10,252,573	1,261,298	2,076,524	75,910,018
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,802	\$ 10,252,573	\$ 1,327,246	\$ 2,076,524	\$ 85,159,040

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CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	D.A.R.E Trust	Asset Forfeiture	CBD Parking In- Lieu	Resource Management
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	58	(1,302)	2,220	3,800
Intergovernmental	-	11,362	-	236,667
Developer participation	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	58	10,060	2,220	240,467
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	10,912	-	-
Community development	-	-	-	-
Operation services	-	-	-	244,002
Community activities	-	-	-	-
Capital outlay	-	82,303	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	93,215	-	244,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	58	(83,155)	2,220	(3,535)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	58	(83,155)	2,220	(3,535)
Fund Balances, Beginning of Year	18,774	111,123	716,420	1,141,637
Fund Balances, End of Year	\$ 18,832	\$ 27,968	\$ 718,640	\$ 1,138,102

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Donations	Landscape and Lighting Districts	Landscape Maintenance N.P.I.D	Geologic Hazard Assessment Districts
Revenues:				
Assessments	\$ -	\$ 132,666	\$ -	\$ 85,700
Fines and forfeitures	-	-	-	-
Use of money and property	(645)	728	3,325	4,412
Intergovernmental	-	-	-	-
Developer participation	-	-	-	-
Contributions	20,000	-	-	-
Miscellaneous	-	11,560	16,032	1,250
Total Revenues	19,355	144,954	19,357	91,362
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	29,743
Operation services	-	138,866	11,453	-
Community activities	27,452	-	-	-
Capital outlay	9,000	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	36,452	138,866	11,453	29,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,097)	6,088	7,904	61,619
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(17,097)	6,088	7,904	61,619
Fund Balances, Beginning of Year	448,436	402,809	1,048,276	1,317,920
Fund Balances, End of Year	\$ 431,339	\$ 408,897	\$ 1,056,180	\$ 1,379,539

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Measure B Transportation Improvements	Gas Tax	HOME Program	Abandoned Vehicle
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	4,966	(2,398)	9,645	675
Intergovernmental	1,217,294	3,236,525	112,778	58,675
Developer participation	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	25,000	-
Total Revenues	1,222,260	3,234,127	147,423	59,350
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	58,676
Community development	-	7,504	147,423	-
Operation services	-	-	-	-
Community activities	-	-	-	-
Capital outlay	822,424	3,325,865	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	822,424	3,333,369	147,423	58,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,836	(99,242)	-	674
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	399,836	(99,242)	-	674
Fund Balances, Beginning of Year	1,476,986	4,749,660	-	119,138
Fund Balances, End of Year	\$ 1,876,822	\$ 4,650,418	\$ -	\$ 119,812

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,500	-	-	-
Use of money and property	779	-	3,982	-
Intergovernmental	-	-	1,692,485	-
Developer participation	-	-	-	-
Contributions	22,058	-	9,734	-
Miscellaneous	1,040	1,358	4,212	125,226
Total Revenues	25,377	1,358	1,710,413	125,226
Expenditures:				
Current:				
General government	-	1,173	-	-
Public safety	-	-	25,299	-
Community development	-	-	69,166	-
Operation services	18,958	-	-	125,226
Community activities	-	-	22,487	-
Capital outlay	-	-	2,828,168	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	18,958	1,173	2,945,120	125,226
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,419	185	(1,234,707)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(125,000)	-	-	-
Total Other Financing Sources (Uses)	(125,000)	-	-	-
Net Change in Fund Balances	(118,581)	185	(1,234,707)	-
Fund Balances, Beginning of Year	363,080	59,325	537,293	-
Fund Balances, End of Year	\$ 244,499	\$ 59,510	\$ (697,414)	\$ -

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	-	90	6,271	361
Intergovernmental	934,687	-	-	-
Developer participation	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	38,875	-	210,037	-
Total Revenues	973,562	90	216,308	361
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	912,675	-	-	-
Operation services	-	-	-	-
Community activities	-	-	43,560	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	40,000	-	-	-
Interest and fiscal charges	20,887	-	-	-
Total Expenditures	973,562	-	43,560	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	90	172,748	361
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	90	172,748	361
Fund Balances, Beginning of Year	-	29,319	1,466,561	116,125
Fund Balances, End of Year	\$ -	\$ 29,409	\$ 1,639,309	\$ 116,486

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Specific Plans	Vehicle Registration Fees	Measure BB Transportation Improvements	AB1379 CASp Certification and Training
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	893	(3,513)	7,147	398
Intergovernmental	-	362,967	1,071,338	-
Developer participation	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	30,756
Total Revenues	893	359,454	1,078,485	31,154
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	8,009
Operation services	-	-	-	-
Community activities	-	-	-	-
Capital outlay	-	850,000	784,855	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	850,000	784,855	8,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	893	(490,546)	293,630	23,145
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(2,162)	-	-	-
Total Other Financing Sources (Uses)	(2,162)	-	-	-
Net Change in Fund Balances	(1,269)	(490,546)	293,630	23,145
Fund Balances, Beginning of Year	855,616	1,047,601	1,829,573	33,582
Fund Balances, End of Year	\$ 854,347	\$ 557,055	\$ 2,123,203	\$ 56,727

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Capital Projects Funds	
	Business Support Program	Pleasanton Garbage Service Rate Reserve	CIP for Downtown & North Pleasanton	Public Facilities
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	29,698	10,618	29,092	(1,186)
Intergovernmental	-	-	-	-
Developer participation	-	-	-	509,720
Contributions	-	-	-	-
Miscellaneous	38,200	-	65,363	-
Total Revenues	67,898	10,618	94,455	508,534
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	1,154,000	-	-	-
Operation services	-	-	-	-
Community activities	-	-	-	-
Capital outlay	-	-	-	1,988,369
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,154,000	-	-	1,988,369
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,086,102)	10,618	94,455	(1,479,835)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,210,000)
Total Other Financing Sources (Uses)	-	-	-	(1,210,000)
Net Change in Fund Balances	(1,086,102)	10,618	94,455	(2,689,835)
Fund Balances, Beginning of Year	2,838,300	3,427,583	3,191,190	6,258,264
Fund Balances, End of Year	\$ 1,752,198	\$ 3,438,201	\$ 3,285,645	\$ 3,568,429

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Capital Projects Funds			
	Park Development	Park Capital Improvement Program	Street Capital Improvement Program	Traffic Impact
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	24,364	9,487	28,806	24,859
Intergovernmental	-	-	-	-
Developer participation	-	-	30,300	40,490
Contributions	-	-	-	-
Miscellaneous	-	-	173,106	-
Total Revenues	24,364	9,487	232,212	65,349
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Operation services	-	-	-	-
Community activities	-	-	-	-
Capital outlay	1,064,934	1,201,758	1,923,372	786,293
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,064,934	1,201,758	1,923,372	786,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,040,570)	(1,192,271)	(1,691,160)	(720,944)
Other Financing Sources (Uses):				
Transfers in	1,210,000	905,000	1,191,529	810,826
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,210,000	905,000	1,191,529	810,826
Net Change in Fund Balances	169,430	(287,271)	(499,631)	89,882
Fund Balances, Beginning of Year	10,201,084	929,510	12,562,805	10,299,661
Fund Balances, End of Year	\$ 10,370,514	\$ 642,239	\$ 12,063,174	\$ 10,389,543

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds				Total Non-major Governmental Funds
	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	
Revenues:					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ 218,366
Fines and forfeitures	-	-	-	-	1,500
Use of money and property	2,504	31,527	3,771	6,630	242,062
Intergovernmental	-	-	-	-	8,934,778
Developer participation	-	77,500	-	38,638	696,648
Contributions	-	-	-	-	51,792
Miscellaneous	-	-	-	-	742,015
Total Revenues	2,504	109,027	3,771	45,268	10,887,161
Expenditures:					
Current:					
General government	-	-	-	-	1,173
Public safety	-	-	-	-	94,887
Community development	-	-	-	-	2,328,520
Operation services	-	-	33,208	-	571,713
Community activities	-	-	-	-	93,499
Capital outlay	-	57,482	65,948	-	15,790,771
Debt service:					
Principal retirement	-	-	-	-	40,000
Interest and fiscal charges	-	-	-	-	20,887
Total Expenditures	-	57,482	99,156	-	18,941,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,504	51,545	(95,385)	45,268	(8,054,289)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	4,117,355
Transfers out	(810,826)	-	-	-	(2,147,988)
Total Other Financing Sources (Uses)	(810,826)	-	-	-	1,969,367
Net Change in Fund Balances	(808,322)	51,545	(95,385)	45,268	(6,084,922)
Fund Balances, Beginning of Year	808,322	10,201,028	1,356,683	2,031,256	81,994,940
Fund Balances, End of Year	\$ -	\$ 10,252,573	\$ 1,261,298	\$ 2,076,524	\$ 75,910,018

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
D.A.R.E TRUST
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,774	\$ 18,774	\$ 18,774	\$ -
Resources (Inflows):				
Use of money and property	1,200	1,200	58	(1,142)
Amounts Available for Appropriations	19,974	19,974	18,832	(1,142)
Charges to Appropriation (Outflow):				
Public safety	6,000	6,000	-	6,000
Total Charges to Appropriations	6,000	6,000	-	6,000
Budgetary Fund Balance, June 30	\$ 13,974	\$ 13,974	\$ 18,832	\$ 4,858

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 111,123	\$ 111,123	\$ 111,123	\$ -
Resources (Inflows):				
Intergovernmental	-	-	11,362	11,362
Use of money and property	500	1,000	(1,302)	(2,302)
Miscellaneous	3,500	3,500	-	(3,500)
Amounts Available for Appropriations	115,123	115,623	121,183	5,560
Charges to Appropriation (Outflow):				
Public safety	7,000	7,000	10,912	(3,912)
Capital outlay	-	-	82,303	(82,303)
Total Charges to Appropriations	7,000	7,000	93,215	(86,215)
Budgetary Fund Balance, June 30	\$ 108,123	\$ 108,623	\$ 27,968	\$ (80,655)

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 CBD PARKING IN-LIEU
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 716,420	\$ 716,420	\$ 716,420	\$ -
Resources (Inflows):				
Use of money and property	5,000	9,000	2,220	(6,780)
Developer participation	14,500	14,500	-	(14,500)
Amounts Available for Appropriations	735,920	739,920	718,640	(21,280)
Budgetary Fund Balance, June 30	\$ 735,920	\$ 739,920	\$ 718,640	\$ (21,280)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
RESOURCE MANAGEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,141,637	\$ 1,141,637	\$ 1,141,637	\$ -
Resources (Inflows):				
Intergovernmental	230,000	230,000	236,667	6,667
Use of money and property	3,500	12,500	3,800	(8,700)
Amounts Available for Appropriations	1,375,137	1,384,137	1,382,104	(2,033)
Charges to Appropriation (Outflow):				
Community development	30,000	60,000	-	60,000
Operation services	346,000	286,696	244,002	42,694
Total Charges to Appropriations	376,000	346,696	244,002	102,694
Budgetary Fund Balance, June 30	\$ 999,137	\$ 1,037,441	\$ 1,138,102	\$ 100,661

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS DONATIONS
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 448,436	\$ 448,436	\$ 448,436	\$ -
Resources (Inflows):				
Use of money and property	4,000	1,400	(645)	(2,045)
Contributions	240,000	240,000	20,000	(220,000)
Amounts Available for Appropriations	692,436	689,836	467,791	(222,045)
Charges to Appropriation (Outflow):				
Community services	-	-	27,452	(27,452)
Capital outlay	40,000	40,000	9,000	31,000
Total Charges to Appropriations	40,000	40,000	36,452	3,548
Budgetary Fund Balance, June 30	\$ 652,436	\$ 649,836	\$ 431,339	\$ (218,497)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE AND LIGHTING DISTRICTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 402,809	\$ 402,809	\$ 402,809	\$ -
Resources (Inflows):				
Assessments	129,947	129,947	132,666	2,719
Use of money and property	2,600	2,600	728	(1,872)
Miscellaneous	11,559	11,559	11,560	1
Amounts Available for Appropriations	546,915	546,915	547,763	848
Charges to Appropriation (Outflow):				
Operation services	141,203	172,745	138,866	33,879
Total Charges to Appropriations	141,203	172,745	138,866	33,879
Budgetary Fund Balance, June 30	\$ 405,712	\$ 374,170	\$ 408,897	\$ 34,727

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 GEOLOGIC HAZARD ASSESSMENT DISTRICTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,317,920	\$ 1,317,920	\$ 1,317,920	\$ -
Resources (Inflows):				
Assessments	79,807	79,807	85,700	5,893
Use of money and property	17,100	17,100	4,412	(12,688)
Miscellaneous	1,229	1,229	1,250	21
Amounts Available for Appropriations	1,416,056	1,416,056	1,409,282	(6,774)
Charges to Appropriation (Outflow):				
Community development	32,094	32,094	29,743	2,351
Total Charges to Appropriations	32,094	32,094	29,743	2,351
Budgetary Fund Balance, June 30	\$ 1,383,962	\$ 1,383,962	\$ 1,379,539	\$ (4,423)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
MEASURE B TRANSPORTATION IMPROVEMENTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,476,986	\$ 1,476,986	\$ 1,476,986	\$ -
Resources (Inflows):				
Intergovernmental	1,170,000	1,045,870	1,217,294	171,424
Use of money and property	14,400	14,400	4,966	(9,434)
Amounts Available for Appropriations	2,661,386	2,537,256	2,699,246	161,990
Charges to Appropriation (Outflow):				
Capital outlay	955,168	2,199,754	822,424	1,377,330
Total Charges to Appropriations	955,168	2,199,754	822,424	1,377,330
Budgetary Fund Balance, June 30	\$ 1,706,218	\$ 337,502	\$ 1,876,822	\$ 1,539,320

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,749,660	\$ 4,749,660	\$ 4,749,660	\$ -
Resources (Inflows):				
Intergovernmental	3,383,269	3,272,148	3,236,525	(35,623)
Use of money and property	22,800	22,800	(2,398)	(25,198)
Amounts Available for Appropriations	8,155,729	8,044,608	7,983,787	(60,821)
Charges to Appropriation (Outflow):				
Community development	7,500	7,500	7,504	(4)
Capital outlay	2,960,000	7,365,381	3,325,865	4,039,516
Total Charges to Appropriations	2,967,500	7,372,881	3,333,369	4,039,512
Budgetary Fund Balance, June 30	\$ 5,188,229	\$ 671,727	\$ 4,650,418	\$ 3,978,691

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
HOME PROGRAM
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	531,416	200,977	112,778	(88,199)
Use of money and property	-	-	9,645	9,645
Miscellaneous	-	-	25,000	25,000
Amounts Available for Appropriations	531,416	200,977	147,423	(53,554)
Charges to Appropriation (Outflow):				
Community development	42,867	200,977	147,423	53,554
Total Charges to Appropriations	42,867	200,977	147,423	53,554
Budgetary Fund Balance, June 30	\$ 488,549	\$ -	\$ -	\$ -

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
 ABANDONED VEHICLE
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 119,138	\$ 119,138	\$ 119,138	\$ -
Resources (Inflows):				
Intergovernmental	30,000	30,000	58,675	28,675
Use of money and property	1,000	2,000	675	(1,325)
Amounts Available for Appropriations	150,138	151,138	178,488	27,350
Charges to Appropriation (Outflow):				
Public safety	30,000	30,000	58,676	(28,676)
Total Charges to Appropriations	30,000	30,000	58,676	(28,676)
Budgetary Fund Balance, June 30	\$ 120,138	\$ 121,138	\$ 119,812	\$ (1,326)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
URBAN FORESTRY PROGRAM
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 363,080	\$ 363,080	\$ 363,080	\$ -
Resources (Inflows):				
Use of money and property	500	6,000	779	(5,221)
Fines and forfeitures	-	-	1,500	1,500
Contributions	10,000	10,000	22,058	12,058
Miscellaneous	500	500	1,040	540
Amounts Available for Appropriations	374,080	379,580	388,457	8,877
Charges to Appropriation (Outflow):				
Operation services	37,500	37,500	18,958	18,542
Transfers out	25,000	125,000	125,000	-
Total Charges to Appropriations	62,500	162,500	143,958	18,542
Budgetary Fund Balance, June 30	\$ 311,580	\$ 217,080	\$ 244,499	\$ 27,419

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
LIBRARY TRUST
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 59,325	\$ 59,325	\$ 59,325	\$ -
Resources (Inflows):				
Use of money and property	3,700	300	-	(300)
Miscellaneous	1,000	1,000	1,358	358
Amounts Available for Appropriations	64,025	60,625	60,683	58
Charges to Appropriation (Outflow):				
General government	2,000	8,500	1,173	7,327
Total Charges to Appropriations	2,000	8,500	1,173	7,327
Budgetary Fund Balance, June 30	\$ 62,025	\$ 52,125	\$ 59,510	\$ 7,385

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 MISCELLANEOUS GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 537,293	\$ 537,293	\$ 537,293	\$ -
Resources (Inflows):				
Intergovernmental	1,019,000	3,779,727	1,692,485	(2,087,242)
Use of money and property	1,500	6,000	3,982	(2,018)
Contributions	-	-	9,734	9,734
Miscellaneous	-	90,000	4,212	(85,788)
Amounts Available for Appropriations	1,557,793	4,413,020	2,247,706	(2,165,314)
Charges to Appropriation (Outflow):				
Public safety	2,000	7,223	25,299	(18,076)
Community development	-	19,969	69,166	(49,197)
Community activities	-	-	22,487	(22,487)
Capital outlay	35,000	2,924,204	2,828,168	96,036
Total Charges to Appropriations	37,000	2,951,396	2,945,120	6,276
Budgetary Fund Balance, June 30	\$ 1,520,793	\$ 1,461,624	\$ (697,414)	\$ (2,159,038)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
HBPOA MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Miscellaneous	100,000	100,000	125,226	25,226
Amounts Available for Appropriations	100,000	100,000	125,226	25,226
Charges to Appropriation (Outflow):				
Operation services	100,000	100,000	125,226	(25,226)
Total Charges to Appropriations	100,000	100,000	125,226	(25,226)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	272,697	1,257,352	934,687	(322,665)
Miscellaneous	-	-	38,875	38,875
Amounts Available for Appropriations	272,697	1,257,352	973,562	(283,790)
Charges to Appropriation (Outflow):				
Community development	125,904	1,234,168	912,675	321,493
Debt service:				
Principal retirement	20,062	23,184	40,000	(16,816)
Interest and fiscal charges	-	-	20,887	(20,887)
Total Charges to Appropriations	145,966	1,257,352	973,562	283,790
Budgetary Fund Balance, June 30	\$ 126,731	\$ -	\$ -	\$ -

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
DOWNTOWN ECONOMIC LOAN
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,319	\$ 29,319	\$ 29,319	\$ -
Resources (Inflows):				
Use of money and property	200	500	90	(410)
Amounts Available for Appropriations	29,519	29,819	29,409	(410)
Budgetary Fund Balance, June 30	\$ 29,519	\$ 29,819	\$ 29,409	\$ (410)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY ACCESS TELEVISION
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,466,561	\$ 1,466,561	\$ 1,466,561	\$ -
Resources (Inflows):				
Use of money and property	9,000	23,000	6,271	(16,729)
Miscellaneous	250,000	250,000	210,037	(39,963)
Amounts Available for Appropriations	1,725,561	1,739,561	1,682,869	(56,692)
Charges to Appropriation (Outflow):				
Community services	44,684	43,560	43,560	-
Capital outlay	-	300,000	-	300,000
Total Charges to Appropriations	44,684	343,560	43,560	300,000
Budgetary Fund Balance, June 30	\$ 1,680,877	\$ 1,396,001	\$ 1,639,309	\$ 243,308

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
 MARILYN MURPHY KANE TRAIL RESERVE
 YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 116,125	\$ 116,125	\$ 116,125	\$ -
Resources (Inflows):				
Use of money and property	800	800	361	(439)
Amounts Available for Appropriations	116,925	116,925	116,486	(439)
Charges to Appropriation (Outflow):				
Capital outlay	25,000	25,000	-	25,000
Total Charges to Appropriations	25,000	25,000	-	25,000
Budgetary Fund Balance, June 30	\$ 91,925	\$ 91,925	\$ 116,486	\$ 24,561

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
SPECIFIC PLANS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 855,616	\$ 855,616	\$ 855,616	\$ -
Resources (Inflows):				
Use of money and property	15,000	15,000	893	(14,107)
Amounts Available for Appropriations	870,616	870,616	856,509	(14,107)
Charges to Appropriation (Outflow):				
Community development	99,507	133,902	-	133,902
Capital outlay	218,871	-	-	-
Transfers out	-	-	2,162	(2,162)
Total Charges to Appropriations	318,378	133,902	2,162	131,740
Budgetary Fund Balance, June 30	\$ 552,238	\$ 736,714	\$ 854,347	\$ 117,633

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
VEHICLE REGISTRATION FEES
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,047,601	\$ 1,047,601	\$ 1,047,601	\$ -
Resources (Inflows):				
Intergovernmental	350,000	315,000	362,967	47,967
Use of money and property	1,800	1,800	(3,513)	(5,313)
Amounts Available for Appropriations	1,399,401	1,364,401	1,407,055	42,654
Charges to Appropriation (Outflow):				
Community development	38,500	38,500	-	38,500
Capital outlay	350,000	1,200,000	850,000	350,000
Total Charges to Appropriations	388,500	1,238,500	850,000	388,500
Budgetary Fund Balance, June 30	\$ 1,010,901	\$ 125,901	\$ 557,055	\$ 431,154

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
 MEASURE BB TRANSPORTATION IMPROVEMENTS
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,829,573	\$ 1,829,573	\$ 1,829,573	\$ -
Resources (Inflows):				
Intergovernmental	970,000	919,349	1,071,338	151,989
Use of money and property	5,500	5,500	7,147	1,647
Amounts Available for Appropriations	2,805,073	2,754,422	2,908,058	153,636
Charges to Appropriation (Outflow):				
Community development	305,000	1,536,486	-	1,536,486
Capital outlay	805,000	983,363	784,855	198,508
Total Charges to Appropriations	1,110,000	2,519,849	784,855	1,734,994
Budgetary Fund Balance, June 30	\$ 1,695,073	\$ 234,573	\$ 2,123,203	\$ 1,888,630

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
 AB1379 CASp CERTIFICATION AND TRAINING
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 33,582	\$ 33,582	\$ 33,582	\$ -
Resources (Inflows):				
Use of money and property	-	500	398	(102)
Miscellaneous	-	-	30,756	30,756
Amounts Available for Appropriations	33,582	34,082	64,736	30,654
Charges to Appropriation (Outflow):				
Community development	-	-	8,009	(8,009)
Total Charges to Appropriations	-	-	8,009	(8,009)
Budgetary Fund Balance, June 30	\$ 33,582	\$ 34,082	\$ 56,727	\$ 22,645

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 LANDSCAPE MAINTENANCE N.P.I.D
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,048,276	\$ 1,048,276	\$ 1,048,276	\$ -
Resources (Inflows):				
Use of money and property	7,500	7,500	3,325	(4,175)
Miscellaneous	15,534	15,534	16,032	498
Amounts Available for Appropriations	1,071,310	1,071,310	1,067,633	(3,677)
Charges to Appropriation (Outflow):				
Operation services	23,500	23,500	11,453	12,047
Total Charges to Appropriations	23,500	23,500	11,453	12,047
Budgetary Fund Balance, June 30	\$ 1,047,810	\$ 1,047,810	\$ 1,056,180	\$ 8,370

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
PARK CAPITAL IMPROVEMENT PROGRAM
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 929,510	\$ 929,510	\$ 929,510	\$ -
Resources (Inflows):				
Use of money and property	3,000	3,000	9,487	6,487
Transfers in	755,000	905,000	905,000	-
Amounts Available for Appropriations	1,687,510	1,837,510	1,843,997	6,487
Charges to Appropriation (Outflow):				
Capital outlay	1,005,000	1,749,825	1,201,758	548,067
Total Charges to Appropriations	1,005,000	1,749,825	1,201,758	548,067
Budgetary Fund Balance, June 30	\$ 682,510	\$ 87,685	\$ 642,239	\$ 554,554

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS CAPITAL IMPROVEMENT PROGRAMS FUND
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,335,152	\$ 19,335,152	\$ 19,335,152	\$ -
Resources (Inflows):				
Intergovernmental	-	1,168,709	4,009,734	2,841,025
Use of money and property	140,000	140,000	29,464	(110,536)
Miscellaneous	300,000	300,000	11,991	(288,009)
Transfers in	6,449,764	5,649,764	5,401,146	(248,618)
Amounts Available for Appropriations	26,224,916	26,593,625	28,787,487	2,193,862
Charges to Appropriation (Outflow):				
Community development	-	1,458,709	4,553,411	(3,094,702)
Capital outlay	3,588,650	19,147,440	1,427,138	17,720,302
Debt service:				
Principal retirement	180,910	180,910	186,406	(5,496)
Interest and fiscal charges	9,718	9,718	4,222	5,496
Transfers out	3,750,000	3,941,529	1,191,529	2,750,000
Total Charges to Appropriations	7,529,278	24,738,306	7,362,706	17,375,600
Budgetary Fund Balance, June 30	\$ 18,695,638	\$ 1,855,319	\$ 21,424,781	\$ 19,569,462

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
CIP FOR DOWNTOWN & NORTH PLEASANTON
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,191,190	\$ 3,191,190	\$ 3,191,190	\$ -
Resources (Inflows):				
Use of money and property	44,400	44,400	29,092	(15,308)
Miscellaneous	-	-	65,363	65,363
Amounts Available for Appropriations	3,235,590	3,235,590	3,285,645	50,055
Budgetary Fund Balance, June 30	\$ 3,235,590	\$ 3,235,590	\$ 3,285,645	\$ 50,055

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITIES
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,258,264	\$ 6,258,264	\$ 6,258,264	\$ -
Resources (Inflows):				
Use of money and property	31,200	31,200	(1,186)	(32,386)
Developer participation	7,104,556	2,059,555	509,720	(1,549,835)
Amounts Available for Appropriations	13,394,020	8,349,019	6,766,798	(1,582,221)
Charges to Appropriation (Outflow):				
Community development	850,000	1,575,000	-	1,575,000
Capital outlay	15,000	5,619,691	1,988,369	3,631,322
Transfers out	1,210,000	1,210,000	1,210,000	-
Total Charges to Appropriations	2,075,000	8,404,691	3,198,369	5,206,322
Budgetary Fund Balance, June 30	\$ 11,319,020	\$ (55,672)	\$ 3,568,429	\$ 3,624,101

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,201,084	\$ 10,201,084	\$ 10,201,084	\$ -
Resources (Inflows):				
Use of money and property	49,200	49,200	24,364	(24,836)
Developer participation	766,853	1,210,000	-	(1,210,000)
Transfers in	1,210,000	1,210,000	1,210,000	-
Amounts Available for Appropriations	12,227,137	12,670,284	11,435,448	(1,234,836)
Charges to Appropriation (Outflow):				
Community development	-	1,586,500	-	1,586,500
Capital outlay	300,000	8,206,034	1,064,934	7,141,100
Total Charges to Appropriations	300,000	9,792,534	1,064,934	8,727,600
Budgetary Fund Balance, June 30	\$ 11,927,137	\$ 2,877,750	\$ 10,370,514	\$ 7,492,764

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 STREET CAPITAL IMPROVEMENT PROGRAM
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,562,805	\$ 12,562,805	\$ 12,562,805	\$ -
Resources (Inflows):				
Use of money and property	55,440	55,440	28,806	(26,634)
Developer participation	8,000	8,000	30,300	22,300
Miscellaneous	-	-	173,106	173,106
Transfers in	3,500,000	1,191,529	1,191,529	-
Amounts Available for Appropriations	16,126,245	13,817,774	13,986,546	168,772
Charges to Appropriation (Outflow):				
Community development	3,000	3,000	-	3,000
Capital outlay	458,000	12,880,430	1,923,372	10,957,058
Total Charges to Appropriations	461,000	12,883,430	1,923,372	10,960,058
Budgetary Fund Balance, June 30	\$ 15,665,245	\$ 934,344	\$ 12,063,174	\$ 11,128,830

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC IMPACT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,299,661	\$ 10,299,661	\$ 10,299,661	\$ -
Resources (Inflows):				
Use of money and property	24,000	24,000	24,859	859
Developer participation	11,709,652	5,421,337	40,490	(5,380,847)
Transfers in	100,000	828,103	810,826	(17,277)
Amounts Available for Appropriations	22,133,313	16,573,101	11,175,836	(5,397,265)
Charges to Appropriation (Outflow):				
Community development	2,300,000	2,580,000	-	2,580,000
Capital outlay	2,350,000	13,051,591	786,293	12,265,298
Total Charges to Appropriations	4,650,000	15,631,591	786,293	14,845,298
Budgetary Fund Balance, June 30	\$ 17,483,313	\$ 941,510	\$ 10,389,543	\$ 9,448,033

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPACT BERNAL PROPERTY
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 808,322	\$ 808,322	\$ 808,322	\$ -
Resources (Inflows):				
Use of money and property	24,000	24,000	2,504	(21,496)
Amounts Available for Appropriations	832,322	832,322	810,826	(21,496)
Charges to Appropriation (Outflow):				
Transfers out	100,000	828,103	810,826	17,277
Total Charges to Appropriations	100,000	828,103	810,826	17,277
Budgetary Fund Balance, June 30	\$ 732,322	\$ 4,219	\$ -	\$ (4,219)

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
BUDGETED DEVELOPER PROJECTS
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,201,028	\$ 10,201,028	\$ 10,201,028	\$ -
Resources (Inflows):				
Use of money and property	61,800	61,800	31,527	(30,273)
Developer participation	-	-	77,500	77,500
Amounts Available for Appropriations	10,262,828	10,262,828	10,310,055	47,227
Charges to Appropriation (Outflow):				
Community development	6,104,710	5,942,787	-	5,942,787
Capital outlay	161,718	2,483,870	57,482	2,426,388
Total Charges to Appropriations	6,266,428	8,426,657	57,482	8,369,175
Budgetary Fund Balance, June 30	\$ 3,996,400	\$ 1,836,171	\$ 10,252,573	\$ 8,416,402

CITY OF PLEASANTON

**BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICT CONSTRUCTION
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,356,683	\$ 1,356,683	\$ 1,356,683	\$ -
Resources (Inflows):				
Use of money and property	9,600	9,600	3,771	(5,829)
Amounts Available for Appropriations	1,366,283	1,366,283	1,360,454	(5,829)
Charges to Appropriation (Outflow):				
Community development	1,086,118	-	-	-
Operation services	28,750	28,750	33,208	(4,458)
Capital outlay	1,300,000	1,300,000	65,948	1,234,052
Total Charges to Appropriations	2,414,868	1,328,750	99,156	1,229,594
Budgetary Fund Balance, June 30	\$ (1,048,585)	\$ 37,533	\$ 1,261,298	\$ 1,223,765

CITY OF PLEASANTON

BUDGETARY COMPARISON SCHEDULE
 TRI-VALLEY TRANSPORTATION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,031,256	\$ 2,031,256	\$ 2,031,256	\$ -
Resources (Inflows):				
Use of money and property	3,600	3,600	6,630	3,030
Developer participation	1,011,293	175,940	38,638	(137,302)
Amounts Available for Appropriations	3,046,149	2,210,796	2,076,524	(134,272)
Charges to Appropriation (Outflow):				
Capital outlay	80,866	1,852,517	-	1,852,517
Total Charges to Appropriations	80,866	1,852,517	-	1,852,517
Budgetary Fund Balance, June 30	\$ 2,965,283	\$ 358,279	\$ 2,076,524	\$ 1,718,245

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NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be recovered through user charges.

Transit

This fund receives revenue from Metropolitan Transportation Commission grants, fares from passengers and Measure B and Measure BB sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

Cemetery

This fund accounts for the operations of the Pleasanton Pioneer Cemetery. The City currently contracts with Graham-Hitch Mortuary for cemetery management, sales and burial coordination. The Cemetery Fund is supported by an operating subsidy contribution from the General Fund.

Housing Authority

This fund represents the activities of the Pleasanton Housing Authority. The purpose is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford.

CITY OF PLEASANTON

COMBINING STATEMENT OF FUND NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Transit</u>	<u>Cemetery</u>	<u>Housing Authority</u>	<u>Total</u>
Assets:				
Current:				
Cash and investments	\$ 267,413	\$ 854,467	\$ 356,235	\$ 1,478,115
Receivables (net):				
Accounts	79,337	22,497	-	101,834
Interest	603	2,461	-	3,064
Total Current Assets	347,353	879,425	356,235	1,583,013
Noncurrent:				
Capital assets:				
Nondepreciable	-	10,000	51,750	61,750
Depreciable, net	73,139	831,391	-	904,530
Total Noncurrent Assets	73,139	841,391	51,750	966,280
Total Assets	\$ 420,492	\$ 1,720,816	\$ 407,985	\$ 2,549,293
Liabilities:				
Current:				
Accounts payable	\$ 23,063	\$ 33,353	\$ -	\$ 56,416
Payroll payable	2,638	1,050	-	3,688
Advances from other funds	-	500,000	-	500,000
Due to other funds	26,779	-	-	26,779
Unearned revenues	-	307,560	-	307,560
Total Current Liabilities	52,480	841,963	-	894,443
Total Liabilities	52,480	841,963	-	894,443
Net Position:				
Net investment in capital assets	73,139	841,391	51,750	966,280
Restricted for transportation	294,873	-	-	294,873
Unrestricted	-	37,462	356,235	393,697
Total Net Position	\$ 368,012	\$ 878,853	\$ 407,985	\$ 1,654,850

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Transit</u>	<u>Cemetery</u>	<u>Housing Authority</u>	
Operating Revenues:				
Sales and service charges	\$ 13,493	\$ 227,259	\$ -	\$ 240,752
Total Operating Revenues	13,493	227,259	-	240,752
Operating Expenses:				
Personnel services	244,698	45,582	-	290,280
Transportation	2,340	-	-	2,340
Repairs and maintenance	19,545	-	-	19,545
Materials, supplies and services	151,755	212,129	-	363,884
Depreciation expense	15,026	31,486	-	46,512
Total Operating Expenses	433,364	289,197	-	722,561
Operating Income (Loss)	(419,871)	(61,938)	-	(481,809)
Nonoperating Revenues (Expenses):				
Grants	61,860	-	-	61,860
Intergovernmental	390,019	-	-	390,019
Interest income	785	3,466	193	4,444
Total Nonoperating Revenues (Expenses)	452,664	3,466	193	456,323
Income (Loss) Before Transfers	32,793	(58,472)	193	(25,486)
Transfers in	16,577	50,000	-	66,577
Changes in Net Position	49,370	(8,472)	193	41,091
Net Position:				
Beginning of Year	318,642	887,325	407,792	1,613,759
End of Fiscal Year	\$ 368,012	\$ 878,853	\$ 407,985	\$ 1,654,850

CITY OF PLEASANTON

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Transit</u>	<u>Cemetery</u>	<u>Housing Authority</u>	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ (16,767)	\$ 324,380	\$ -	\$ 307,613
Cash paid to suppliers for goods and services	(210,038)	(211,631)	-	(421,669)
Cash received from (payments to) others	(192,174)	(27,985)	-	(220,159)
Net Cash Provided (Used) by Operating Activities	(418,979)	84,764	-	(334,215)
Cash Flows from Non-Capital Financing Activities:				
Intergovernmental funds received	451,879	-	-	451,879
Interfund receipts	16,577	50,000	-	66,577
Repayment made to other funds	7,185	-	-	7,185
Net Cash Provided (Used) by Non-Capital Financing Activities	475,641	50,000	-	525,641
Cash Flows from Investing Activities:				
Interest received	1,098	4,321	193	5,612
Net Cash Provided (Used) by Investing Activities	1,098	4,321	193	5,612
Net Increase (Decrease) in Cash and Cash Equivalents	57,760	139,085	193	197,038
Cash and Cash Equivalents at Beginning of Year	209,653	715,382	356,042	1,281,077
Cash and Cash Equivalents at End of Year	\$ 267,413	\$ 854,467	\$ 356,235	\$ 1,478,115
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (419,871)	\$ (61,938)	\$ -	\$ (481,809)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:				
Depreciation	15,026	31,484	-	46,510
(Increase) decrease in accounts receivable	(18,657)	-	-	(18,657)
Increase (decrease) in accounts payable	20,479	19,510	-	39,989
Increase (decrease) in payroll payable	(4,353)	(1,413)	-	(5,766)
Increase (decrease) in unearned revenue	(11,603)	97,121	-	85,518
Total Adjustments	892	146,702	-	147,594
Net Cash Provided (Used) by Operating Activities	\$ (418,979)	\$ 84,764	\$ -	\$ (334,215)

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost-reimbursement basis.

Employee Benefits

This fund accounts for unemployment insurance benefit costs and accrued unused employee vacation leave. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers' compensation benefits and the majority of the City's Net Pension Liability.

Public Art Acquisition and Maintenance

This fund is to provide a source of public funding for the design, selection, acquisition, purchase, renovation, conservation, and installation of City-owned public art.

Replacement / Renovation

This fund charges various user departments based on usage of equipment, vehicles, and facilities and uses the money to replace or renovate these items.

Self Insurance Retention

This fund pays insurance premiums and claims that fall under the City's various limits.

Retiree Insurance Reserve

This fund is establishing reserves for future medical insurance obligations for retirees.

PARS Section 115 Fund

This fund is to provide additional annual payments to PERS that are needed to offset the impact of smoothing or negative amortization of the City's Unfunded Pension Liability.

City Enhancement

This fund is to provide for unplanned and traditionally unfunded priority projects that arise such as employee workplace enhancement and miscellaneous emergency renovation projects which are not part of the City's Repair and Replacement Plan.

CITY OF PLEASANTON

COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Employee Benefits</u>	<u>Public Art Acquisition and Maintenance</u>	<u>Replacement/ Renovation</u>	<u>Self Insurance Retention</u>
Assets:				
Current:				
Cash and investments	\$ 10,541,338	\$ 178,457	\$ 21,410,440	\$ 4,109,381
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	19,461	1,393	-	-
Accrued interest	27,011	245	69,824	9,385
Total Current Assets	10,587,810	180,095	21,480,264	4,118,766
Noncurrent:				
Advances to other funds	-	-	581,955	-
Capital assets - nondepreciable	-	358,893	482,721	-
Capital assets - net of accumulated depreciation	-	4,666	11,046,203	-
Total Noncurrent Assets	-	363,559	12,110,879	-
Total Assets	10,587,810	543,654	33,591,143	4,118,766
Deferred Outflows of Resources:				
Related to pensions	24,730,599	-	-	-
Related to OPEB	-	-	-	-
Total Deferred Outflows of Resources	24,730,599	-	-	-
Liabilities:				
Current:				
Accounts payable	\$ 1,026,868	\$ -	\$ 317,905	\$ 542
Accrued compensated absences	1,529,337	-	-	-
Claims payable	1,310,000	-	-	317,217
Total Current Liabilities	3,866,205	-	317,905	317,759
Noncurrent:				
Accrued compensated absences	3,637,579	-	-	-
Net pension liability	134,502,115	-	-	-
Net OPEB liability	-	-	-	-
Claims payable	6,990,000	-	-	604,044
Total Noncurrent Liabilities	145,129,694	-	-	604,044
Total Liabilities	148,995,899	-	317,905	921,803
Deferred Inflows of Resources:				
Related to pensions	4,436,101	-	-	-
Related to OPEB	-	-	-	-
Total Deferred Inflows of Resources	4,436,101	-	-	-
Net Position:				
Net investment in capital assets	-	363,559	11,528,924	-
Restricted	-	-	-	-
Unrestricted	(118,113,591)	180,095	21,744,314	3,196,963
Total Net Position	\$ (118,113,591)	\$ 543,654	\$ 33,273,238	\$ 3,196,963

CITY OF PLEASANTON

COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Retiree Insurance Reserve	PARS Section 115 Fund	City Enhancement	Total
Assets:				
Current:				
Cash and investments	\$ 59,517	\$ -	\$ 240,164	\$ 36,539,297
Restricted cash and investments	-	29,362,086	-	29,362,086
Receivables:				
Accounts	-	-	-	20,854
Accrued interest	3,052	-	735	110,252
Total Current Assets	62,569	29,362,086	240,899	66,032,489
Noncurrent:				
Advances to other funds	-	-	-	581,955
Capital assets - nondepreciable	-	-	-	841,614
Capital assets - net of accumulated depreciation	-	-	-	11,050,869
Total Noncurrent Assets	-	-	-	12,474,438
Total Assets	62,569	29,362,086	240,899	78,506,927
Deferred Outflows of Resources:				
Related to pensions	-	-	-	24,730,599
Related to OPEB	4,622,053	-	-	4,622,053
Total Deferred Outflows of Resources	4,622,053	-	-	29,352,652
Liabilities:				
Current:				
Accounts payable	\$ 58,611	\$ -	\$ -	\$ 1,403,926
Accrued compensated absences	-	-	-	1,529,337
Claims payable	-	-	-	1,627,217
Total Current Liabilities	58,611	-	-	4,560,480
Noncurrent:				
Accrued compensated absences	-	-	-	3,637,579
Net pension liability	-	-	-	134,502,115
Net OPEB liability	29,305,435	-	-	29,305,435
Claims payable	-	-	-	7,594,044
Total Noncurrent Liabilities	29,305,435	-	-	175,039,173
Total Liabilities	29,364,046	-	-	179,599,653
Deferred Inflows of Resources:				
Related to pensions	-	-	-	4,436,101
Related to OPEB	8,493,012	-	-	8,493,012
Total Deferred Inflows of Resources	8,493,012	-	-	12,929,113
Net Position:				
Net investment in capital assets	-	-	-	11,892,483
Restricted	-	29,362,086	-	29,362,086
Unrestricted	(33,172,436)	-	240,899	(125,923,756)
Total Net Position	\$ (33,172,436)	\$ 29,362,086	\$ 240,899	\$ (84,669,187)

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self Insurance Retention
Operating Revenues:				
Sales and service charges	\$ 1,730,036	\$ 109,000	\$ 3,340,000	\$ 1,100,000
Miscellaneous	-	-	-	225
Total Operating Revenues	1,730,036	109,000	3,340,000	1,100,225
Operating Expenses:				
Personnel services	8,290,363	-	67,966	-
Repairs and maintenance	-	-	325,640	-
Materials, supplies and services	650,102	-	2,017,617	2,008,372
Depreciation expense	-	1,600	2,272,847	-
Total Operating Expenses	8,940,465	1,600	4,684,070	2,008,372
Operating Income (Loss)	(7,210,429)	107,400	(1,344,070)	(908,147)
Nonoperating Revenues:				
Investment income	23,489	231	27,641	172,209
Gain on disposal of capital assets	-	-	80,336	-
Total Nonoperating Revenues	23,489	231	107,977	172,209
Income (Loss) Before Transfers	(7,186,940)	107,631	(1,236,093)	(735,938)
Transfers in	-	-	300,000	-
Transfers out	-	-	(2,484,136)	-
Changes in Net Position	(7,186,940)	107,631	(3,420,229)	(735,938)
Net Position:				
Beginning of Year	(110,926,651)	436,023	36,693,467	3,932,901
End of Fiscal Year	\$ (118,113,591)	\$ 543,654	\$ 33,273,238	\$ 3,196,963

CITY OF PLEASANTON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			Total
	Retiree Insurance Reserve	PARS Section 115 Fund	City Enhancement	
Operating Revenues:				
Sales and service charges	\$ 2,651,245	\$ -	\$ 60,000	\$ 8,990,281
Miscellaneous	-	-	-	225
Total Operating Revenues	2,651,245	-	60,000	8,990,506
Operating Expenses:				
Personnel services	522,939	-	-	8,881,268
Repairs and maintenance	-	-	-	325,640
Materials, supplies and services	11,502	-	1,486	4,689,079
Depreciation expense	-	-	-	2,274,447
Total Operating Expenses	534,441	-	1,486	16,170,434
Operating Income (Loss)	2,116,804	-	58,514	(7,179,928)
Nonoperating Revenues:				
Investment income	7,311	6,552,502	3,651	6,787,034
Gain on disposal of capital assets	-	-	-	80,336
Total Nonoperating Revenues	7,311	6,552,502	3,651	6,867,370
Income (Loss) Before Transfers	2,124,115	6,552,502	62,165	(312,558)
Transfers in	1,050,000	-	-	1,350,000
Transfers out	(832,000)	-	-	(3,316,136)
Changes in Net Position	2,342,115	6,552,502	62,165	(2,278,694)
Net Position:				
Beginning of Year	(35,514,551)	22,809,584	178,734	(82,390,493)
End of Fiscal Year	\$ (33,172,436)	\$ 29,362,086	\$ 240,899	\$ (84,669,187)

CITY OF PLEASANTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Public Art Acquisition and Maintenance	Replacement/ Renovation	Self Insurance Retention
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 1,717,766	\$ 109,000	\$ 3,363,600	\$ 1,100,225
Cash payments to suppliers	(786,959)	-	(2,411,223)	(2,008,372)
Cash payments to or on behalf of employees	(1,306,772)	(36)	(261,386)	(94)
Claims paid	-	-	-	(351,722)
Net Cash Provided (Used) by Operating Activities	(375,965)	108,964	690,991	(1,259,963)
Cash Flows from Non-Capital Financing Activities:				
Interfund (payments) receipts	-	-	(2,184,136)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	(2,184,136)	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	(8,999)	(1,481,976)	-
Proceeds from sales of capital assets	-	-	80,336	-
Net Cash Used by Capital and Related Financing Activities	-	(8,999)	(1,401,640)	-
Cash Flows from Investing Activities:				
Investment income	39,789	369	83,149	183,114
Net Cash Provided by Investing Activities	39,789	369	83,149	183,114
Net Increase (Decrease) in Cash and Cash Equivalents	(336,176)	100,334	(2,811,636)	(1,076,849)
Cash and Cash Equivalents at Beginning of Year	10,877,514	78,123	24,222,076	5,186,230
Cash and Cash Equivalents at End of Year	\$ 10,541,338	\$ 178,457	\$ 21,410,440	\$ 4,109,381
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (7,210,429)	\$ 107,400	\$ (1,344,070)	\$ (908,147)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	1,600	2,272,847	-
Changes in pension related items	7,634,935	-	-	-
Changes in OPEB related items	-	-	-	-
(Increase) decrease in accounts receivable, net	(12,270)	-	23,600	-
Increase (decrease) in accounts payable and other accrued expenses	(1,054,106)	(36)	(261,386)	(30,732)
Increase (decrease) in claims payable	-	-	-	(321,084)
Increase (decrease) in employee benefits payable	265,905	-	-	-
Total Adjustments	6,834,464	1,564	2,035,061	(351,816)
Net Cash Provided (Used) by Operating Activities	\$ (375,965)	\$ 108,964	\$ 690,991	\$ (1,259,963)
Non-Cash Investing, Capital, and Financing Activities:				
Gain/(Loss) on disposition of capital assets	\$ -	\$ -	\$ 80,336	\$ -

CITY OF PLEASANTON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Retiree Insurance Reserve	PARS Section 115 Fund	City Enhancement	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 2,651,245	\$ -	\$ 60,000	\$ 9,001,836
Cash payments to suppliers	(738,679)	-	(24,079)	(5,969,312)
Cash payments to or on behalf of employees	(2,854,703)	-	-	(4,422,991)
Claims paid	-	-	-	(351,722)
Net Cash Provided (Used) by Operating Activities	(942,137)	-	35,921	(1,742,189)
Cash Flows from Non-Capital Financing Activities:				
Interfund (payments) receipts	218,000	-	-	(1,966,136)
Net Cash Provided (Used) by Non-Capital Financing Activities	218,000	-	-	(1,966,136)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	(1,490,975)
Proceeds from sales of capital assets	-	-	-	80,336
Net Cash Used by Capital and Related Financing Activities	-	-	-	(1,410,639)
Cash Flows from Investing Activities:				
Investment income	6,635	6,552,502	2,922	6,868,480
Net Cash Provided by Investing Activities	6,635	6,552,502	2,922	6,868,480
Net Increase (Decrease) in Cash and Cash Equivalents	(717,502)	6,552,502	38,843	1,749,516
Cash and Cash Equivalents at Beginning of Year	777,019	22,809,584	201,321	64,151,867
Cash and Cash Equivalents at End of Year	\$ 59,517	\$ 29,362,086	\$ 240,164	\$ 65,901,383
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 2,116,804	\$ -	\$ 58,514	\$ (7,179,928)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	2,274,447
Changes in pension related items	-	-	-	7,634,935
Changes in OPEB related items	(2,854,703)	-	-	(2,854,703)
(Increase) decrease in accounts receivable, net	-	-	-	11,330
Increase (decrease) in accounts payable and other accrued expenses	(204,238)	-	(22,593)	(1,573,091)
Increase (decrease) in claims payable	-	-	-	(321,084)
Increase (decrease) in employee benefits payable	-	-	-	265,905
Total Adjustments	(3,058,941)	-	(22,593)	5,437,739
Net Cash Provided (Used) by Operating Activities	\$ (942,137)	\$ -	\$ 35,921	\$ (1,742,189)
Non-Cash Investing, Capital, and Financing Activities:				
Gain/(Loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ 80,336

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CUSTODIAL FUNDS

Custodial Funds - Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

Retiree Insurance

This fund collects money from retired employees and pays their share of health insurance bills. Retired employees pay their share of insurance bills for a specific period of time.

Downtown Merchant Improvements

This fund collects annual assessments from downtown businesses and passes it on to the Pleasanton Downtown Association.

Asset Forfeiture

This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other governmental agencies.

Miscellaneous Agencies

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies (i.e. Zone 7 Water Agency, Dublin San Ramon Services District, Tri-Valley Transportation Council, etc.), or organizations.

Livermore-Pleasanton Fire Department (Livermore Share Only)

This fund accounts for the Livermore-Pleasanton Fire Department activity related to operations, replacement and renovation of equipment, vehicles and facilities, retiree medical and workers' compensation.

CITY OF PLEASANTON

COMBINING STATEMENT OF FUND NET POSITION
 All CUSTODIAL FUNDS
 JUNE 30, 2021

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies	Livermore - Pleasanton Fire Department (Livermore Share Only)	Total
Assets:						
Pooled cash and investments	\$ 9,952	\$ 43,279	\$ 22,100	\$ 662,055	\$ 8,555,666	\$ 9,293,052
Receivables:						
Accounts	7,076	-	-	84,135	-	91,211
Taxes	-	-	-	354,917	-	354,917
Accrued interest	-	135	-	-	27,664	27,799
Total Assets	\$ 17,028	\$ 43,414	\$ 22,100	\$ 1,101,107	\$ 8,583,330	\$ 9,766,979
Liabilities:						
Accounts payable	\$ 271	\$ -	\$ -	\$ 973,331	\$ 84,854	\$ 1,058,456
Long-term liabilities:						
Due in one year						
Claims liabilities	-	-	-	-	1,706,000	1,706,000
Due in more than one year						
Claims liabilities	-	-	-	-	7,572,000	7,572,000
Total Liabilities	\$ 271	\$ -	\$ -	\$ 973,331	\$ 9,362,854	\$ 10,336,456
Net Position:						
Restricted for other government agencies	\$ -	\$ -	\$ 22,100	\$ 127,776	\$ -	\$ 149,876
Restricted for retiree insurance	16,757	-	-	-	-	16,757
Restricted for Pleasanton Downtown Association	-	43,414	-	-	-	43,414
Restricted for Livermore Share	-	-	-	-	(779,524)	(779,524)
Total Net Position	\$ 16,757	\$ 43,414	\$ 22,100	\$ 127,776	\$ (779,524)	\$ (569,477)

CITY OF PLEASANTON

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Retiree Insurance</u>	<u>Downtown Merchant Improvements</u>	<u>Asset Forfeiture</u>	<u>Miscellaneous Agencies</u>	<u>Livermore - Pleasanton Fire Department (Livermore Share Only)</u>	<u>Total</u>
Additions:						
Contributions:						
Retired employees	\$ 610,553	\$ -	\$ -	\$ -	\$ -	\$ 610,553
Taxes	-	73,518	-	-	-	73,518
Intergovernmental	-	-	-	4,438,118	5,749,332	10,187,450
Interest and change in fair value of investments	-	(105)	-	-	59,465	59,360
Miscellaneous	-	-	21,001	-	-	21,001
Total Additions	610,553	73,413	21,001	4,438,118	5,808,797	10,951,882
Deductions:						
Retiree benefits	607,045	-	-	-	-	607,045
Contractual services	-	71,656	1,366	4,440,158	3,263,048	7,776,228
Total Deductions	607,045	71,656	1,366	4,440,158	3,263,048	8,383,273
Changes in Fiduciary Net Position	3,508	1,757	19,635	(2,040)	2,545,749	2,568,609
Net Position						
Beginning of the Year, as originally reported	-	-	-	-	-	-
Restatement	13,249	41,657	2,465	129,816	(3,325,273)	(3,138,086)
Beginning of the Year, as restated	13,249	41,657	2,465	129,816	(3,325,273)	(3,138,086)
End of the Year	\$ 16,757	\$ 43,414	\$ 22,100	\$ 127,776	\$ (779,524)	\$ (569,477)

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STATISTICAL SECTION

This part of the City of Pleasanton’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information says about the City’s overall financial health.

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Financial Trends Information

Net Position by Component – Last Ten Fiscal Years

Changes in Net Position – Last Ten Fiscal Years

Fund Balances – Last Ten Fiscal Years

Changes in Fund Balances – Last Ten Fiscal Years

City of Pleasanton
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets (1)	\$ 459,571,666	\$ 478,640,595	\$ 478,618,864	\$ 487,153,226
Restricted	53,945,028	54,730,098	59,542,954	62,296,241
Unrestricted (2)	116,496,384	88,466,476	92,908,491	(27,653,975)
Total government activities net position	\$ 630,013,078	\$ 621,837,169	\$ 631,070,309	\$ 521,795,492
Business-Type Activities				
Net investment in capital assets	\$ 196,819,739	\$ 189,306,314	\$ 182,419,601	\$ 176,512,644
Restricted	4,273,502	4,630,314	5,245,338	6,081,192
Unrestricted	41,306,525	41,910,981	45,209,251	42,651,779
Total business-type activities net position	\$ 242,399,766	\$ 235,847,609	\$ 232,874,190	\$ 225,245,615
Primary Government				
Net investment in capital assets	\$ 656,391,405	\$ 667,946,909	\$ 661,038,465	\$ 663,665,870
Restricted	58,218,530	59,360,412	64,788,292	68,377,433
Unrestricted	157,802,909	130,377,457	138,117,742	14,997,804
Total primary government activities net position	\$ 872,412,844	\$ 857,684,778	\$ 863,944,499	\$ 747,041,107

Notes:

(1) The increase in net investment in capital assets in 2013 primarily reflects the redemption of the City's \$20.7 million 2003 Certificates of Participation

(2) In 2013, the reduction in unrestricted net position primarily reflects the use of General Fund reserves (\$13.2 million) and the Retirees Medical Reserve (\$6.5 million) to redeem the 2003 COPs. Additionally, \$3.7 million of the reduction resulted from the reclassification of the City of Livermore's share of LPFD financial activity from Governmental Funds to Agency Funds. In 2015, the negative unrestricted net position in Governmental Activities was attributable to the recording of net pension liability as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. In 2018, the negative unrestricted net position increased further due to the recording of net OPEB liability as a result of the implementation of GASB 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

Fiscal Year Ended June 30

2016	2017	2018	2019	2020	2021
\$ 497,839,233	\$ 509,064,211	\$ 504,882,313	\$ 498,338,562	\$ 497,870,162	\$ 501,130,349
61,029,572	74,105,178	62,433,733	72,361,830	118,402,861	122,242,850
(16,776,353)	(15,318,883)	(49,675,582)	(39,340,376)	(81,114,037)	(83,237,797)
<u>\$ 542,092,452</u>	<u>\$ 567,850,506</u>	<u>\$ 517,640,464</u>	<u>\$ 531,360,016</u>	<u>\$ 535,158,986</u>	<u>\$ 540,135,402</u>
\$ 182,841,810	\$ 183,305,729	\$ 183,231,147	\$ 176,192,351	\$ 158,203,939	\$ 152,269,883
6,797,332	305,694	286,274	214,632	230,477	294,873
39,918,554	44,690,494	40,236,159	47,002,659	55,480,453	60,201,412
<u>\$ 229,557,696</u>	<u>\$ 228,301,917</u>	<u>\$ 223,753,580</u>	<u>\$ 223,409,642</u>	<u>\$ 213,914,869</u>	<u>\$ 212,766,168</u>
\$ 680,681,043	\$ 692,369,940	\$ 688,113,460	\$ 674,530,913	\$ 656,074,101	\$ 653,400,232
67,826,904	74,410,872	62,720,007	72,576,462	118,633,338	122,537,723
23,142,201	29,371,611	(9,439,423)	7,662,283	(25,633,584)	(23,036,385)
<u>\$ 771,650,148</u>	<u>\$ 796,152,423</u>	<u>\$ 741,394,044</u>	<u>\$ 754,769,658</u>	<u>\$ 749,073,855</u>	<u>\$ 752,901,570</u>

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

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 530,379	\$ 847,400	\$ 351,432	\$ 576,781
Public Safety (1)	15,349,962	1,925,017	1,871,706	1,864,000
Community Development	4,213,319	5,070,801	5,406,350	6,193,038
Operations Services	172,033	488,833	615,063	464,764
Community Activities	3,814,092	3,786,304	3,920,184	4,429,931
Operating Grants & Contributions	1,981,223	2,339,740	1,446,304	2,472,764
Capital Grants & Contributions	30,930,426	8,257,001	13,322,657	13,467,743
Total Government Activities:	56,991,434	22,715,096	26,933,696	29,469,021
Business-Type Activities:				
Charges for Services				
Water	17,858,731	19,874,140	19,542,181	17,700,120
Sewer	12,450,545	12,873,074	13,591,371	14,274,645
Golf	3,924,212	3,921,815	3,781,952	3,620,949
Transit	36,393	32,728	29,287	26,934
Storm Drain	365,155	347,612	361,348	451,835
Cemetery	102,046	77,242	49,142	58,310
Pleasanton Housing Authority	153,255	163,515	176,432	182,096
Electric Vehicle	-	-	-	-
Operating Grants & Contributions	370,989	182,854	114,771	259,729
Capital Grants & Contributions	99,596	78,595	-	-
Total Business-Type Activities	35,360,922	37,551,575	37,646,484	36,574,618
Total Primary Government Revenues	\$ 92,352,356	\$ 60,266,671	\$ 64,580,180	\$ 66,043,639
Expenses				
Governmental Activities:				
General Government	\$ 11,287,857	\$ 10,983,778	\$ 10,360,977	\$ 11,664,448
Public Safety (1)	61,545,745	47,486,526	42,173,584	45,039,711
Community Development	12,614,316	18,502,872	15,690,263	15,545,862
Operations Services	25,072,278	20,676,081	23,101,587	14,765,337
Community Activities	12,186,269	11,705,687	10,767,100	12,625,484
Interest on Long-Term Debt	1,048,843	1,528,110	36,565	3,196
Total Government Activities:	123,755,308	110,883,054	102,130,076	99,644,038
Business-Type Activities:				
Water	20,624,535	22,028,379	19,955,880	17,297,973
Sewer	14,216,171	14,050,710	14,397,652	14,585,270
Golf	5,146,812	5,154,023	5,217,734	4,923,007
Transit	690,067	668,192	656,825	576,286
Storm Drain	1,746,357	1,758,604	1,661,216	1,166,224
Cemetery	22,544	29,656	88,195	50,420
Pleasanton Housing Authority	380,940	375,950	400,015	386,248
Electric Vehicle	-	-	-	-
Total Business-Type Activities	42,827,426	44,065,514	42,377,517	38,985,428
Total Primary Government Expense	\$ 166,582,734	\$ 154,948,568	\$ 144,507,593	\$ 138,629,466

Notes:

(1) The reduction in public safety charges for services revenue and public safety expenditures from 2012 to 2013 primarily reflects the reclassification of the City of Livermore's share of LPFD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds.

Fiscal Year Ended June 30

2016	2017	2018	2019	2020	2021
\$ 489,842	\$ 380,148	\$ 377,968	\$ 1,759,450	\$ 1,808,531	\$ 1,850,615
2,252,106	2,209,630	2,241,723	2,101,271	2,089,012	1,697,967
7,434,666	7,137,220	7,283,955	7,071,315	5,616,871	6,908,248
385,681	245,567	13,273	412,217	370,660	470,214
4,721,811	4,238,718	5,388,824	4,920,968	2,369,971	1,391,682
2,837,179	2,144,568	2,531,927	2,790,058	2,724,019	8,743,755
12,777,297	29,268,836	12,083,316	12,416,072	12,471,722	9,720,229
<u>30,898,582</u>	<u>45,624,687</u>	<u>29,920,986</u>	<u>31,471,351</u>	<u>27,450,786</u>	<u>30,782,710</u>
17,639,091	24,979,440	28,469,053	27,106,096	30,074,927	32,117,734
13,861,477	14,756,465	14,635,697	14,894,626	15,235,355	15,785,961
3,825,552	3,678,545	3,772,104	3,713,019	3,225,018	4,534,434
25,560	25,229	27,592	25,394	20,653	13,493
788,101	872,260	747,726	744,402	719,550	525,758
72,743	120,202	283,690	161,243	205,447	227,259
129,879	-	-	-	-	-
4,054	-	-	-	-	-
244,749	107,176	72,092	78,908	77,075	451,879
8,215,464	5,072,145	1,879,164	1,223,357	1,519,616	-
<u>44,806,670</u>	<u>49,611,462</u>	<u>49,887,118</u>	<u>47,947,045</u>	<u>51,077,641</u>	<u>53,656,518</u>
<u>\$ 75,705,252</u>	<u>\$ 95,236,149</u>	<u>\$ 79,808,104</u>	<u>\$ 79,418,396</u>	<u>\$ 78,528,427</u>	<u>\$ 84,439,228</u>
\$ 11,626,959	\$ 13,262,964	\$ 13,642,305	\$ 15,463,935	\$ 17,948,798	\$ 16,669,694
44,667,204	50,423,097	49,340,797	52,306,605	53,337,713	57,790,167
14,680,399	15,053,634	20,126,026	16,697,040	17,485,023	27,169,629
23,621,666	26,341,007	29,609,753	33,754,591	34,917,629	31,508,267
13,158,251	14,281,965	15,343,079	15,852,817	15,659,688	12,686,876
22,828	21,469	24,728	28,035	24,873	25,109
<u>107,777,307</u>	<u>119,384,136</u>	<u>128,086,688</u>	<u>134,103,023</u>	<u>139,373,724</u>	<u>145,849,742</u>
18,390,589	27,775,558	28,476,375	27,667,694	32,293,274	32,013,503
14,986,417	15,952,170	16,243,756	17,308,963	16,281,822	17,080,279
4,896,052	4,955,932	5,129,759	4,849,230	4,733,225	5,063,628
647,326	647,029	724,243	667,324	511,788	421,539
2,426,049	2,502,935	1,866,129	2,570,902	2,800,668	2,433,953
20,755	266,740	187,186	245,796	264,288	289,197
347,495	134	166	59	4	-
2,500	-	-	-	-	-
<u>41,717,183</u>	<u>52,100,498</u>	<u>52,627,614</u>	<u>53,309,968</u>	<u>56,885,069</u>	<u>57,302,099</u>
<u>\$ 149,494,490</u>	<u>\$ 171,484,634</u>	<u>\$ 180,714,302</u>	<u>\$ 187,412,991</u>	<u>\$ 196,258,793</u>	<u>\$ 203,151,841</u>

City of Pleasanton
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Net (Expenses)/Revenue:				
Governmental Activities:	\$ (66,763,874)	\$ (88,167,958)	\$ (75,196,380)	\$ (70,175,017)
Business-Type Activities:	(7,466,504)	(6,513,939)	(4,731,033)	(2,410,810)
Total Net (Expense)/Revenue	<u>(74,230,378)</u>	<u>(94,681,897)</u>	<u>(79,927,413)</u>	<u>(72,585,827)</u>
Position				
Governmental Activities:				
Taxes				
Property taxes	47,923,732	48,648,728	50,366,818	53,744,273
Sales tax	19,107,418	19,102,977	20,993,123	22,410,654
Motor vehicle in lieu	36,534	30,491	-	-
Franchise fees	2,012,970	2,114,954	2,371,125	2,455,508
Business licenses taxes (1)	-	-	-	-
Transient occupancy taxes (1)	-	-	-	-
Other taxes (1)	6,962,201	7,866,876	8,278,095	9,292,582
Unrestricted investment earnings	1,439,639	230,933	2,326,506	1,493,023
Miscellaneous	983,690	1,076,858	868,797	275,323
Gain on sale of capital asset	-	-	-	-
Transfers	(3,443,695)	920,232	(774,943)	(755,609)
Total Government Activities:	<u>75,022,489</u>	<u>79,992,049</u>	<u>84,429,521</u>	<u>88,915,754</u>
Business-Type Activities:				
Unrestricted investment earnings	282,760	(100,734)	525,766	325,838
Miscellaneous	589,950	982,747	456,905	1,635,657
Loss on sale of capital asset	983,690	1,076,858	868,797	-
Transfers	3,443,695	(920,232)	774,943	755,609
Total Business-Type Activities	<u>5,300,095</u>	<u>1,038,639</u>	<u>2,626,411</u>	<u>2,717,104</u>
Total Primary Government	<u>80,322,584</u>	<u>81,030,688</u>	<u>87,055,932</u>	<u>91,632,858</u>
Change in Net Position				
Governmental Activities:	8,258,615	(8,175,909)	9,233,141	18,740,737
Business-Type Activities:	(2,166,409)	(5,475,300)	(2,104,622)	306,294
Total Primary Government	<u>\$ 6,092,206</u>	<u>\$ (13,651,209)</u>	<u>\$ 7,128,519</u>	<u>\$ 19,047,031</u>

Notes:

(1) 2021 Taxes were separated per GFOA comments in FY20 CAFR

Fiscal Year Ended June 30

2016	2017	2018	2019	2020	2021
\$ (77,590,854)	\$ (74,023,542)	\$ (98,361,115)	\$ (102,631,672)	\$ (102,631,672)	\$ (115,067,032)
3,801,616	(2,224,943)	(2,545,083)	(5,362,923)	(5,362,923)	(3,645,581)
<u>(73,789,238)</u>	<u>(76,248,485)</u>	<u>(100,906,198)</u>	<u>(107,994,595)</u>	<u>(117,730,366)</u>	<u>(118,712,613)</u>
57,276,734	61,203,788	65,730,411	69,930,013	74,257,259	77,667,357
23,543,972	23,362,536	21,764,560	22,959,956	20,662,385	21,883,038
-	-	-	-	-	-
2,570,130	2,637,490	2,685,070	3,075,783	4,984,643	2,941,829
-	-	-	-	-	4,870,543
-	-	-	-	-	2,014,843
10,680,021	11,286,091	11,734,873	11,917,437	10,380,382	1,285,625
1,878,574	1,029,883	1,087,214	7,443,513	6,238,557	9,262,172
1,647,178	750,129	165,541	385,830	409,060	557,808
-	-	-	-	-	80,336
291,205	(488,321)	(1,100,016)	(818,540)	(1,210,378)	(520,103)
<u>97,887,814</u>	<u>99,781,596</u>	<u>102,067,653</u>	<u>114,893,992</u>	<u>115,721,908</u>	<u>120,043,448</u>
486,865	208,100	353,862	1,549,905	1,645,696	194,579
314,805	272,743	714,489	2,650,540	1,177,745	1,829,051
-	-	-	-	-	(46,853)
(291,205)	488,321	1,100,016	818,540	1,210,378	520,103
<u>510,465</u>	<u>969,164</u>	<u>2,168,367</u>	<u>5,018,985</u>	<u>4,033,819</u>	<u>2,496,880</u>
<u>98,398,279</u>	<u>100,750,760</u>	<u>104,236,020</u>	<u>119,912,977</u>	<u>119,755,727</u>	<u>122,540,328</u>
20,296,960	25,758,054	3,706,538	12,262,320	3,798,970	4,976,416
4,312,081	(1,255,779)	(376,716)	(343,938)	(1,773,609)	(1,148,701)
<u>\$ 24,609,041</u>	<u>\$ 24,502,275</u>	<u>\$ 3,329,822</u>	<u>\$ 11,918,382</u>	<u>\$ 2,025,361</u>	<u>\$ 3,827,715</u>

City of Pleasanton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 218,658	\$ 264,456	\$ 218,082	\$ 163,689	\$ 121,900
Restricted (2)	-	-	-	-	-
Committed (1)	20,029,711	9,229,188	9,650,614	13,319,218	12,019,088
Assigned (1)	2,000,000	-	-	-	-
Unassigned	3,083,456	3,425,359	5,136,347	7,085,423	8,481,624
Total General Fund	\$ 25,331,825	\$ 12,919,003	\$ 15,005,043	\$ 20,568,330	\$ 20,622,612
All Other Governmental Funds					
Restricted	\$ 53,945,028	\$ 54,730,098	\$ 59,542,954	\$ 62,296,241	\$ 61,029,572
Committed	-	-	-	-	1,980,559
Assigned	22,174,209	20,544,393	19,872,240	21,493,248	15,607,802
Unassigned	-	-	(732,151)	(680,538)	(521,393)
Total All Other Governments Funds	\$ 76,119,237	\$ 75,274,491	\$ 78,683,043	\$ 83,108,951	\$ 78,096,540

Notes:

- (1) The reduction in the General Fund of committed and assigned fund balance from 2012 to 2013 reflects the use of the committed Temporary Recession Reserve (\$11,700,000) and the assigned Golf Course Debt Service Reserve (\$2,000,000) to pay off the City's 2003 Certificates of Participation. In 2018, the City reclassified the amounts set aside to meet its operating reserve policy from Committed to Unassigned Fund Balance.
- (2) Restricted fund balance in the General Fund represents a portion of the amounts held in the City's PARS 115 Pension Trust Fund.

Fiscal Year Ended June 30

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 75,199	\$ 45,688	\$ 524,566	\$ 515,352	\$ 515,007
-	-	-	17,479,186	18,566,741
11,634,112	-	-	-	-
-	-	-	-	-
<u>10,763,003</u>	<u>27,610,496</u>	<u>29,077,433</u>	<u>19,279,867</u>	<u>24,653,598</u>
<u>\$ 22,472,314</u>	<u>\$ 27,656,184</u>	<u>\$ 29,601,999</u>	<u>\$ 37,274,405</u>	<u>\$ 43,735,346</u>
\$ 65,496,260	\$ 62,433,733	\$ 72,361,830	\$ 78,114,091	\$ 74,314,024
-	-	-	-	-
21,279,871	26,598,477	32,319,322	33,573,206	34,878,243
(1,165,707)	-	-	-	(697,414)
<u>\$ 85,610,424</u>	<u>\$ 89,032,210</u>	<u>\$ 104,681,152</u>	<u>\$ 111,687,297</u>	<u>\$ 108,494,853</u>

City of Pleasanton
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 74,342,216	\$ 75,998,183	\$ 80,036,078	\$ 85,842,939
Special Assessments	198,710	210,276	204,912	204,755
Licenses (5)	11,180	10,548	15,534	10,018
Licenses and Permits (5)	1,775,254	1,963,950	1,809,142	3,276,533
Fines and Forfeitures	514,613	606,483	528,070	535,269
Use of Money and Property	1,169,435	966,402	2,002,307	1,445,331
Intergovernmental	5,398,749	7,470,232	5,665,356	5,616,638
Franchises	2,012,970	2,114,955	2,371,125	2,455,509
Charges for Services (1)	14,624,998	955,963	1,003,549	1,002,509
Development Fees	3,822,464	3,117,578	8,559,519	8,684,756
Plan Check fees	1,616,141	1,200,174	2,124,937	1,963,429
Reimbursements	1,525,030	2,422,053	1,759,826	2,239,210
Contributions and Donations	4,341,337	414,842	547,642	181,937
Other Revenues	3,326,512	3,139,666	2,985,310	3,067,997
Recreation Charges	3,504,924	3,457,871	3,772,872	4,063,003
	<u>118,184,533</u>	<u>104,049,176</u>	<u>113,386,179</u>	<u>120,589,833</u>
Expenditures:				
Current:				
General Government	11,671,393	11,942,389	11,269,902	12,590,280
Public Safety (1)	52,128,400	39,771,835	41,687,750	42,781,587
Community Development	12,658,878	12,851,491	13,761,593	15,875,983
Operations Services	14,109,244	14,526,304	15,943,523	7,624,563
Community Activities	10,551,455	10,976,770	11,462,498	11,518,746
Capital Outlay	10,123,534	10,294,297	12,510,682	17,322,318
Debt Service:				
Principal (2)	1,852,741	22,132,902	1,753,025	1,781,107
Interest & Fiscal Charges (2)	1,009,993	1,173,287	29,335	10,955
Total Expenditures	<u>114,105,638</u>	<u>123,669,275</u>	<u>108,418,308</u>	<u>109,505,539</u>
Excess/(Deficiency of Revenues Over/(Under)	<u>4,078,895</u>	<u>(19,620,099)</u>	<u>4,967,871</u>	<u>11,084,294</u>
Other Financing Sources (Uses):				
Capital Lease	102,372	-	-	-
Loan Proceeds	-	-	1,687,250	1,468,014
Transfers In (3)	10,172,452	25,318,583	2,853,819	3,339,742
Transfers Out (3)	<u>(14,204,898)</u>	<u>(18,956,053)</u>	<u>(4,014,347)</u>	<u>(5,902,855)</u>
Total Other Financing Sources (Uses)	<u>(3,930,074)</u>	<u>6,362,530</u>	<u>526,722</u>	<u>(1,095,099)</u>
Net Change in Fund Balances	148,821	(13,257,569)	5,494,593	9,989,195
Fund Balances:				
Beginning of Year	<u>101,302,241</u>	<u>101,451,062</u>	<u>88,193,493</u>	<u>93,688,086</u>
End of Year	<u>\$ 101,451,062</u>	<u>\$ 88,193,493</u>	<u>\$ 93,688,086</u>	<u>\$ 103,677,281</u>
Debt Service as a Percentage of Noncapital Expenditure (4)	2.70%	20.14%	1.86%	1.94%

Notes:

(1) The reduction in charges for services revenue and public safety expenditures from 2012 to 2013 primarily reflects the reclassification of the City of Livermore's share of LFPD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds.

(2) Debt service expenditures in 2013 reflects the redemption of the City's outstanding 2003 Certificates of Participation and payment of accrued interest (approximately \$20.7 million principal and \$191,000 interest).

(3) Transfers in 2013 reflect transfers from the General Fund (\$13.2 million, also included in transfers out), the Golf Fund (\$1.2 million), and the Retiree Medical Fund (\$6.5 million) to the 2003 Certificates of Participation Debt Service Fund totaling approximately \$20.9 million.

(4) The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is presented as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

(5) The license revenue is small enough to be combined with permits in FY21

Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021
\$	91,902,097	\$ 96,300,774	\$ 99,707,057	\$ 105,321,095	\$ 105,812,873	\$ 108,256,799
	206,219	207,293	205,355	209,533	207,333	218,366
	10,270	9,409	9,558	8,436	7,505	-
	3,307,959	3,598,675	3,190,162	3,347,546	2,717,733	3,105,893
	308,911	355,300	289,652	361,410	274,002	169,570
	1,896,314	1,329,461	1,541,498	5,221,554	4,984,621	2,475,138
	5,862,784	6,756,014	7,328,741	7,730,043	7,264,929	13,216,419
	2,570,130	2,637,490	2,685,070	3,075,783	8,326,928	2,941,829
	2,095,908	1,578,779	1,624,583	1,402,568	1,313,568	1,189,702
	7,791,583	16,489,666	5,576,884	5,152,526	2,131,626	1,922,309
	2,776,668	2,856,220	2,559,503	2,121,702	1,954,136	1,902,418
	2,463,578	6,682,770	-	-	-	-
	864,641	676,935	618,492	727,802	935,244	2,274,944
	1,865,217	1,584,539	5,297,525	4,871,504	4,407,463	5,842,012
	4,242,435	4,107,359	5,204,196	4,775,360	2,310,189	-
	<u>128,164,714</u>	<u>145,170,684</u>	<u>135,838,276</u>	<u>144,326,862</u>	<u>142,648,150</u>	<u>143,515,399</u>
	12,709,762	13,221,537	13,699,733	14,535,495	15,975,597	15,853,998
	44,521,472	45,505,980	47,409,160	50,719,939	50,325,353	52,073,568
	18,949,408	20,792,152	18,241,639	17,829,747	16,672,236	24,648,286
	18,028,059	17,439,410	19,610,005	20,509,438	20,817,782	20,702,218
	12,314,149	12,522,912	13,184,276	13,593,436	12,708,258	10,386,941
	21,499,776	20,737,214	15,357,331	7,982,326	12,420,752	17,776,409
	1,222,660	239,863	230,911	246,724	244,541	226,406
	22,828	21,469	24,728	28,035	24,873	25,109
	<u>129,268,114</u>	<u>130,480,537</u>	<u>127,757,783</u>	<u>125,445,140</u>	<u>129,189,392</u>	<u>141,692,935</u>
	<u>(1,103,400)</u>	<u>14,690,147</u>	<u>8,080,493</u>	<u>18,881,722</u>	<u>13,458,758</u>	<u>1,822,464</u>
	-	-	-	-	-	-
	1,198,962	-	-	-	-	-
	9,784,448	12,590,762	14,051,836	13,742,275	11,596,091	10,809,142
	<u>(14,838,139)</u>	<u>(17,917,323)</u>	<u>(13,526,673)</u>	<u>(15,029,240)</u>	<u>(10,376,298)</u>	<u>(9,363,109)</u>
	<u>(3,854,729)</u>	<u>(5,326,561)</u>	<u>525,163</u>	<u>(1,286,965)</u>	<u>1,219,793</u>	<u>1,446,033</u>
	(4,958,129)	9,363,586	8,605,656	17,594,757	14,678,551	3,268,497
	103,677,281	98,719,152	108,082,738	116,688,394	134,283,151	148,961,702
\$	<u>98,719,152</u>	<u>108,082,738</u>	<u>116,688,394</u>	<u>134,283,151</u>	<u>148,961,702</u>	<u>152,230,199</u>
	1.15%	0.24%	0.22%	0.23%	0.23%	0.20%

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Revenue Capacity Information

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

Principal Property Tax Payers - Current Year & Nine Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

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City of Pleasanton
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value (1)	Total Direct Tax Rate (2)
2012	\$ 16,118,033,742	\$ 1,583,493	\$ 624,006,570	\$ 16,743,623,805	0.2971%
2013	16,310,521,666	1,583,493	610,478,023	16,922,583,182	0.2971%
2014	17,035,804,215	1,583,362	605,798,375	17,643,185,952	0.2971%
2015	17,986,025,380	1,398,984	674,719,475	18,662,143,839	0.2971%
2016	18,941,502,719	865,618	804,706,503	19,747,074,840	0.2971%
2017	20,020,565,177	848,576	850,802,064	20,872,215,817	0.2971%
2018	21,273,403,047	184,502	864,794,746	22,138,382,295	0.2971%
2019	22,875,081,517	175,828	921,504,266	23,796,761,611	0.2971%
2020	24,040,121,665	176,156	1,200,845,680	25,241,143,501	0.2971%
2021	25,057,095,287	173,458	1,416,950,790	26,474,219,535	0.2971%

- (1) The net taxable assessed value provided by Alameda County is the only data currently available with respect to the actual market value of taxable property.
- (2) Unsecured property is taxed at the prior year direct tax rate.

Source: Alameda County Office of the Auditor-Controller & HDL Company Package

City of Pleasanton
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
County Wide Levy (Net Pleasanton)	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971
County Wide GO Bond	-	-	-	-
Dublin Joint Unified Bonds 1A & B (1)	0.0970	0.0993	0.1147	0.1077
Pleasanton Unified School District	0.0908	0.0963	0.0916	0.0695
Community College District	0.0214	0.0219	0.0214	0.0217
Flood Zone 7	0.0307	0.0228	0.0257	0.0250
Bay Area Rapid Transit District	0.0041	0.0043	0.0075	0.0045
Livermore Joint Unified (1)	0.0627	0.0607	0.0596	0.0497
Sunol Unified School District (1)	0.0480	0.0439	0.0427	0.0486
East Bay Regional Park District	0.0071	0.0051	0.0078	0.0085
Total	1.3618	1.3543	1.3710	1.3352

Note: Rates are percentage of total assessed value

(1) Rate information became available in FY 2019/20 and the information was added to all prior years.

Source: HDL Companies

Fiscal Year Ended June 30

2016	2017	2018	2019	2020	2021
0.7029	0.7029	0.7029	0.7029	0.7029	0.7029
0.2971	0.2971	0.2971	0.2971	0.2971	0.2971
-	-	-	0.0112	0.0108	0.0036
0.0767	0.0972	0.1665	0.1452	0.1460	0.1424
0.0239	0.0224	0.0672	0.0640	0.0642	0.0580
0.0198	0.0246	0.0445	0.0443	0.0422	0.0214
0.0343	0.0333	0.0359	0.0332	0.0309	0.0309
0.0026	0.0080	0.0084	0.0070	0.0120	0.0139
0.0404	0.0886	0.0803	0.0771	0.0743	0.0691
0.0429	0.0464	0.0489	0.0498	0.0495	0.0483
0.0067	0.0032	0.0021	0.0057	0.0060	0.0014
<u>1.2473</u>	<u>1.3237</u>	<u>1.4538</u>	<u>1.4375</u>	<u>1.4359</u>	<u>1.3890</u>

City of Pleasanton
Principal Property Tax Payers
Current Year and Nine Years Ago

FY 2020/2021			FY 2011/2012		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Workday Inc.	\$ 684,195,779	2.58%	Kaiser	\$ 242,016,211	1.44%
Kaiser	327,084,734	1.24%	Stoneridge Properties	232,441,267	1.38%
Stoneridge Creek Pleasanton CCRC LLC	274,986,465	1.04%	Pleasant Property LLC	210,458,543	1.25%
Stoneridge Properties	271,920,888	1.03%	6200 Stoneridge Mall Road Investors LLC	184,602,055	1.10%
Rosewood Commons Property Owner LLC	269,188,154	1.02%	Safeway Inc.	135,307,548	0.80%
6200 Stoneridge Mall Road Investors LLC	218,197,681	0.82%	Applera Corporation	135,061,960	0.80%
Essex Pleasanton Owner LP	205,743,723	0.78%	Stoneridge Residential LLC	129,057,931	0.77%
Stoneridge Residential LLC	166,326,234	0.63%	Peoplesoft Properties, Inc	121,023,815	0.72%
CP IV Vintage LLC	162,062,825	0.61%	Boehringer Mannheim Corporation	110,222,088	0.65%
Oracle America Inc/PeopleSoft	159,591,383	0.60%	Tishman Speyer Archstone Smith Hacienda	103,628,560	0.61%
	<u>\$ 2,739,297,866</u>	<u>10.35%</u>		<u>\$ 1,603,819,978</u>	<u>9.52%</u>

Source: HDL Companies

City of Pleasanton
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (1)	Collection within the Fiscal Year of Levy		Delinquent Tax Collections (2)
		Amount	Percent of Levy	
2012	\$ 52,910,059	\$ 52,215,414	98.69%	\$ 1,445,750
2013	53,198,430	51,821,281	97.41%	1,265,459
2014	54,769,569	54,438,909	99.40%	1,001,164
2015	59,017,605	58,536,604	99.18%	971,138
2016 (3)	57,899,615	57,173,499	98.75%	726,117
2017	61,659,431	60,767,127	98.55%	892,304
2018	66,218,618	65,322,759	98.65%	895,859
2019	70,267,279	69,447,293	98.83%	819,986
2020	74,457,940	73,648,416	98.91%	809,524
2021	78,483,796	77,450,130	98.68%	1,033,666

- (1) Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, homeowners' exemptions, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in 1993.
- (2) Alameda County does not provide delinquent tax collection data by levy year or distinguish between delinquent taxes and penalties and interest, so the amounts shown in the delinquent tax collections column include the delinquency collections for all prior years, including penalties and interest, that were remitted to the City in each fiscal year.
- (3) Backfill payments from Proposition 57, The California Economic Recovery Bond Act (Triple Flip) ended during 2016. Local agencies now receive the full one percent local sales tax, and no backfill payment will be required in the future.

Source: Alameda County Office of the Auditor-Controller

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Debt Capacity Information

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years

Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years

Direct and Overlapping Debt - Year Ended June 30, 2021

Legal Debt Margin - Last Ten Fiscal Years

Pledged-Revenue Coverage for the Water Fund - Last Five Fiscal Years

City of Pleasanton
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	General Obligation Bonds	Certificates of Participation	Notes and Capital Lease Payable	
2012	\$ -	\$ 22,405,000	\$ 2,307,117	\$ 24,712,117
2013	-	750,000	1,829,215	2,579,215
2014	-	380,000	2,113,419	2,493,419
2015	-	-	2,180,326	2,180,326
2016	-	-	2,156,627	2,156,627
2017	-	-	1,916,764	1,916,764
2018	-	-	1,685,853	1,685,853
2019	-	-	1,439,129	1,439,129
2020	-	-	1,194,588	1,194,588
2021	-	-	968,182	968,182

Business-Type Activities

Sewer Revenue Bonds	Water Revenue Bonds	Notes/Loans Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$ 520,000	\$ -	\$ -	\$ 502,508	\$ 25,734,625	0.8%	361.09
355,000	-	-	375,864	3,310,079	0.1%	46.06
180,000	-	-	246,316	2,919,735	0.1%	39.96
-	-	-	113,797	2,294,123	0.1%	31.41
-	-	5,762,772	321,524	8,240,923	0.2%	109.91
-	7,100,000	10,281,920	254,072	19,552,756	0.5%	257.56
-	6,305,000	9,979,419	187,767	18,158,039	0.4%	229.27
-	5,460,000	9,681,084	223,211	16,803,424	0.4%	208.76
-	4,600,000	9,671,433	132,612	15,598,633	0.3%	196.30
-	3,720,000	10,208,679	56,665	14,953,526	0.3%	190.80

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2012	\$ -	\$ -	\$ -	0.000%	\$ -
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-
2020	-	-	-	0.000%	-
2021	-	-	-	0.000%	-

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2021

2020/21 Net Assessed Valuation: \$ 26,474,219,535

Overlapping Tax Debt:	Outstanding Debt 06/30/21	Percentage Applicable (1)	Estimated Share of Overlapping Debt
Alameda County	\$ 191,300,000	7.987%	\$ 15,279,131
Bay Area Rapid Transit District	1,871,890,000	3.091%	57,860,120
Chabot-Las Positas Community College District	593,290,000	18.842%	111,787,702
Dublin Joint Unified School District	541,658,268	0.004%	21,666
Livermore Valley Joint Unified School District	199,105,000	1.758%	3,500,266
Pleasanton Unified School District	135,065,000	97.747%	132,021,986
Sunol Glen Unified School District	322,073	0.002%	6
East Bay Regional Park District	133,170,000	4.945%	6,585,257
Total Overlapping Tax Debt:			<u>\$ 327,056,134</u>

Ratios to Net Assessed Valuation:

Total Overlapping Tax Debt 1.24%

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	\$ 790,122,500	7.987%	\$ 63,107,084
Livermore Area Recreation and Park District Pension Obligation Bonds	12,875,000	3.531%	\$ 454,616
City of Pleasanton Notes and Capital Lease	968,182	100.000%	968,182

Total Direct and Overlapping General Fund Debt: 64,529,882

Combined Total Debt \$ 391,586,017 (2)

Total Direct Debt \$ 968,182

Total Overlapping Debt 390,617,835

Combined Total Debt \$ 391,586,017 (2)

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.24%

Total Direct Debt (\$1,194,588) 0.004%

Combined Total Debt 1.48%

Sources: California Municipal Statistics, Inc., Alameda County Office of the Auditor-Controller, and City of Pleasanton Department of Finance.

City of Pleasanton

Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Net Assessed Valuation	\$ 16,743,623,805	\$ 16,922,583,182	\$ 17,643,185,952	\$ 18,662,143,839
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%
Adjusted Assessed Valuation	4,185,905,951	4,230,645,796	4,410,796,488	4,665,535,960
Debt Limit Percentage	15%	15%	15%	15%
Legal Debt Limit	<u>627,885,893</u>	<u>634,596,869</u>	<u>661,619,473</u>	<u>699,830,394</u>
Amount of Debt Subject to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 627,885,893</u>	<u>\$ 634,596,869</u>	<u>\$ 661,619,473</u>	<u>\$ 699,830,394</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Source:

City of Pleasanton Finance Department
Alameda County Office of the Auditor-Controller

Fiscal Year Ended June 30

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 19,747,074,840	\$ 20,872,215,817	\$ 22,138,382,295	\$ 23,796,761,611	\$ 25,241,143,501	\$ 26,474,219,535
25%	25%	25%	25%	25%	25%
4,936,768,710	5,218,053,954	5,534,595,574	5,949,190,403	6,310,285,875	6,618,554,884
15%	15%	15%	15%	15%	15%
<u>740,515,307</u>	<u>782,708,093</u>	<u>830,189,336</u>	<u>892,378,560</u>	<u>946,542,881</u>	<u>992,783,233</u>
-	-	-	-	-	-
<u>\$ 740,515,307</u>	<u>\$ 782,708,093</u>	<u>\$ 830,189,336</u>	<u>\$ 892,378,560</u>	<u>\$ 946,542,881</u>	<u>\$ 992,783,233</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Pleasanton
Pledged-Revenue Coverage for the Water Fund
Last Five Fiscal Years

Fiscal Year Ended June 30	Water Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2017	\$ 25,664,616	\$ 19,784,665	\$ 5,879,951	\$ -	\$ 152,756	\$ 152,756	38.49
2018	28,778,209	22,214,564	6,563,645	1,097,501	241,580	1,339,081	4.90
2019	27,555,651	22,115,662	5,439,989	1,143,335	227,782	1,371,117	3.97
2020	30,701,446	25,923,528	4,777,918	1,161,318	206,496	1,367,814	3.49
2021	33,249,401	27,280,341	5,969,060	1,184,331	184,815	1,369,146	4.36

Note: Revenue and expenditure totals differ from totals in the financial statements because bond rate covenants include and exclude various line item amounts (e.g. depreciation and General Fund interfund transfer that was subordinate to the payment of Bonds).

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Years

Principal Employers - Current Year and Nine Years Ago

City Employees by Function - Last Ten Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	71,269	\$ 3,338,739,000	46,847	5.3%
2012	71,871	3,512,480,000	48,872	3.5%
2013	73,067	3,610,971,000	49,420	2.8%
2014	73,028	3,612,987,000	49,474	4.6%
2015	74,982	3,729,303,000	49,736	3.7%
2016	75,916	3,926,999,000	51,728	3.3%
2017	79,201	4,296,377,000	54,246	2.2%
2018	80,492	4,765,758,000	59,208	2.5%
2019	79,464	5,214,992,000	65,627	2.5%
2020	78,371	5,683,504,000	72,520	6.3%

Source: HDL Companies - Statistical Package
Most current year available from HDL is for 2020

City of Pleasanton
Principal Employers
Current Year and Nine Years Ago

Employer	FY 2020/2021		Employer	FY 2011/2012	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Workday Inc. (2)	5,017	8.14%	Kaiser Permanente	4,255	8.12%
Kaiser Foundation Hospitals	3,730	6.05%	Safeway Inc. (2)	3,300	6.30%
Oracle America Inc.	1,493	2.42%	Oracle	1,488	2.84%
Stanford Healthcare-Valleycare	1,020	1.66%	Pleasanton Unified School District (2)	1,114	2.13%
Roche Molecular Systems Inc. (2)	1,004	1.63%	Valley Care Medical Center (2)	1,075	2.05%
Blackhawk Network Inc. (2)	775	1.26%	Workday Inc. (2)	970	1.85%
Ice Mortgage Technology Inc	705	1.14%	Ross Dress for Less Inc	678	1.29%
Veeva Systems Inc. (2)	600	0.97%	State Fund Compensation Ins.	650	1.24%
Thermo Fisher Scientific	579	0.94%	Macy's	616	1.18%
ADP LLC	500	0.81%	EMC Corporation	566	1.08%
Clorox Services Company	466	0.76%	Hendrick Auto	478	0.91%
Macy's	466	0.76%	Thoratec Corporation (2)	470	0.90%
Gap Inc.	450	0.73%	City of Pleasanton (1)	457	0.87%
10X Genomics (2)	446	0.72%	Roche Molecular Systems Inc.	441	0.84%
Abbott	383	0.62%	Blackhawk Network Inc.	414	0.79%

Sources: City of Pleasanton Economic Development Department

(1) Includes City of Livermore fire personnel in Livermore Pleasanton Joint Powers Authority.

(2) Headquarters

City of Pleasanton
Full-Time and Part-Time and Limited Term Employees by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	38	37	37	38	39	40	39	39	41	41
Public Safety (1)	175	175	175	175	178	178	182	183	181	181
Community Development	48	48	48	48	52	52	55	54	56	56
Operations Services	59	58	57	60	62	62	61	63	62	62
Community Activities	47	47	46	45	45	46	47	47	50	50
Utilities & Paratransit	35	35	38	38	38	41	41	41	43	43
Total	402	400	402	405	413	418	424	425	433	433

(1) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department (LPFD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LPFD.

Source: City of Pleasanton Budget

Operating Information

Operating Indicators by Function - Last Ten Fiscal Years

Capital Asset Statistics by Function - Last Ten Fiscal Years

City of Pleasanton
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Fire:				
Number of Responses (Pleasanton only)	4,342	4,548	4,753	4,849
Number of Inspections (Pleasanton only)	1,194	1,032	1,415	1,552
Library: (3)				
Annual Circulation	1,438,609	1,428,665	1,422,134	1,309,117
Gate Count (# of people thru the doors) (3)	561,351	551,297	556,810	529,996
e-Resources				50,000
Economic Development:				
Business Licenses Issued	9,147	9,275	9,625	9,776
Parks & Community Services: (3)				
Paratransit Trips (1)	15,499	13,486	11,921	10,725
Golf Revenue Rounds Played	58,272	56,104	54,998	56,066
Aquatics Programs (No. of Participants) (2)	25,494	34,334	25,861	40,803
Sports, Camps, Classes and Leagues (No. of Participants) (2)	22,480	54,579	52,589	55,054
Amador Theater & Firehouse Arts Center (No. of Patrons) (4)	51,096	45,291	44,762	42,759
Operations Services:				
Streets Resurfacing (miles)	12.0	11.8	2.0	12.9
Utility Bills Generated	126,104	127,955	128,277	134,559
New Water Connections	51	88	74	124
Gallons Delivered (in million gallons/day)	13.4 mgd	14.8 mgd	14.2 mgd	10.8 mgd
New Sewer Connections	49	136	231	285

Source: City of Pleasanton Community Services and Operations Services

(1) In 2013, the Downtown Route Service was reduced from 5 days a week to 3 days a week to meet the service demands.

(2) In 2013, the category was widened from youth to all participants.

(3) Due to the COVID-19 pandemic in 2020 and the resulting Alameda County Shelter-in-Place Order in March of 2020, non-essential City services (library and recreation) were shut-down resulting in decreases in numbers with the exception of Library e-Resources which increased.

(4) Indoor theater performances were among the last of the facilities allowed to open under state/county orders. They were allowed to open on April 15, 2021 with limited occupancy, the first show was in May 2021

Fiscal Year Ended June 30

2016	2017	2018	2019	2020	2021
5,133	5,579	6,010	5,954	5,624	5,615
1,912	1,538	1,301	1,388	1,460	616
353,184	1,223,999	1,217,063	1,091,852	852,615	463,420
521,042	527,240	607,451	594,225	399,594	41,239
87,876	71,667	69,826	97,482	212,275	248,074
9,817	9,729	9,461	9,497	9,142	8,040
10,291	8,932	8,024	7,687	5,815	1,810
55,389	51,485	50,317	46,826	44,005	70,792
39,992	39,992	32,296	35,102	23,953	13,276
62,817	56,155	58,405	61,475	18,196	19,101
48,809	50,121	66,250	41,467	30,066	1,096
1.0	1.0	2.0	5.1	11.0	16.0
134,741	123,571	134,405	133,007	133,015	141,594
99	54	42	75	56	37
10.9 mgd	11.2 mgd	11.8 mgd	12.2 mgd	13.1 mgd	13.3 mgd
374	79	83	98	64	51

**City of Pleasanton
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Police:					
Stations	1	1	1	1	1
Fire:					
Stations (Pleasanton only)	5	5	5	5	5
Library:					
Branches	1	1	1	1	1
Parks & Community Services:					
Acres of Parks Maintained (1)	385	385	390	390	335
Municipal Golf Courses	1	1	1	1	1
Aquatic Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
Operations Services:					
Streets (miles)	214	214	215	215	215
Streetlights	6,007	6,025	6,200	6,247	6,262
Traffic Signals	95	96	101	104	104
Water:					
Water mains (miles)	324	324	327	329	329
Pumping Capacity (gallons/day)	31.0M	31.0M	31.0M	31.0M	31.0M
Wastewater:					
Sanitary Sewers (miles)	257	257	257	258	258
Storm Sewers (miles)	194	194	194	194	194

Source: City of Pleasanton Community Services and Operations Services

(1) In 2016, the Parks Dept began using GPS technology to better calculate the acres of parks in the City. The true number of acres has decreased to 335 based on the current audit of the parks.

Fiscal Year Ended June 30

2017	2018	2019	2020	2021
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
447	451	451	451	451
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
216	208	208	208	208
6,534	6,534	6,534	6,534	6,534
106	106	106	108	108
314	331	327	360	378
31.0M	31.0M	31.0M	31.0M	31.0M
259	259	260	258	258
194	194	195	243	196

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