

# **CITY OF PLEASANTON CALIFORNIA**



**LPFD Fire Station # 4 at the Bernal Property - 2006**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2006**

# City of Pleasanton

Pleasanton, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2006*

*Prepared by the Finance Department*

# City of Pleasanton

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THE CITY OF



PLEASANTON®

December 29, 2006

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2006, prepared by the City's Finance Department. Various financing covenants and regulations associated with restricted funding sources require the City of Pleasanton to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Pleasanton, California, for the fiscal year ended June 30, 2006.

The report consists of management's representation concerning the finances of the City of Pleasanton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the 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 generally accepted accounting principles. 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.

Caporicci & Larson, 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 ending June 30, 2006, 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 overall financial management presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City 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 financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 report of the independent auditors.

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

## **Profile of the Government**

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely from its geographic location, from its days as a stop on the transcontinental railroad to its modern day position as a center of commerce. Pleasanton is situated at the intersection of two major vehicle transportation corridors, with access to rapid transit that links most of the San Francisco Bay Area, and passenger rail service connecting the San Joaquin Valley to Silicon Valley, with a stop in Pleasanton. 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 square miles, and serves a residential population of 67,876 and workforce population of approximately 61,000 employees. Pleasanton is a full service general law city providing police, fire, public works, economic development, planning, inspection services, parks and 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 heads.

The financial statements included in this CAFR present the City (the primary government), the Housing Authority of the City of Pleasanton, California (Housing Authority), and the Pleasanton Joint Powers Financing Authority (PJFPA) as component units. These two component units are separate legal entities; however, the members of the City Council also serve as members of the Housing Authority board and the PJFPA board. Therefore, financial information for the Housing Authority and the PJFPA 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 the budget requests and make adjustments where necessary.

Prior to July 1, 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 means to finance them. Public hearings are conducted to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution. A budget review is presented to the City Council by the City Manager at mid-year and mid-term and approved additions or changes are legally adopted through 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 generally accepted accounting principles in the United States. 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 budgetary transfers from one account to another within the same fund.

## **Assessing the City's Economic Condition**

### Local Economy

The continuation of quality services to the residents of Pleasanton has been possible because of solid community land-use planning, which has created a diverse revenue stream from the business and residential community to support the cost of providing services to both the business and residential populations.



December 29, 2006

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

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) 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, housing stock, parks and recreational facilities; and the hometown feel of the historic downtown.

Pleasanton's business community is noted for its productivity and progressiveness. There are approximately 61,000 employees working within the more than 19 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 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. Pleasanton was recently cited as having the highest median household income in the nation (in cities with populations from 65,000 to 249,999) at \$101,022.

The past 12 months have brought mixed economic activity for the Bay Area and the East Bay. The housing market has cooled after running at double-digit appreciation rates for the past few years. Homes purchased during the housing peak may experience valuation declines; however, most real estate experts are projecting a return to more normal appreciation rates of 3 to 5% in much of northern California. On the other hand, commercial growth continues to occur as evidenced by the new business development discussion below. Pleasanton's office market continues to improve, moving from a vacancy rate of 18% in 2003 to 13% in 2006 while asking rates have increased from \$2.05 to \$2.25 per square foot in the past year. In addition, the East Bay job market is the healthiest it has been since 2001, with the region now at full employment, successfully wiping out nearly all of the job losses suffered because of the recession, the dot com meltdown, the September 11, 2001, terrorist attacks and the Iraq war. In comparing 2006 to the prior year, the City has experienced increases in many of its major revenue sources that are tied to regional economic growth, including combined property tax (12.5%), sales tax (5.8%) (although the increase is, in part, from one-time adjustments), hotel tax (9.1%) and business license tax (1.8%) revenues. The City anticipates secured property tax revenue to increase 8.5% in 2007. A more cautious estimation may be warranted in subsequent years as the impact of the current housing slowdown is realized.

The following examples represent new business development in the City of Pleasanton:

The Mills Corporation, as majority owner of the Stoneridge Shopping Center, exercised previously assigned development rights to embark on an extensive expansion. When complete, the mall will have a new 149,000 square foot prototype Nordstrom department store and 89,000 square feet of new retail space in the former Nordstrom space. The project is scheduled for completion in 2009. This upgrade will continue to solidify Stoneridge's place as a top regional destination draw. In addition, the regionally popular PF Changs and Cheesecake Factory restaurants recently opened at the mall site.

During 2006, State Compensation Insurance Fund, a workers' compensation insurance company, moved to Pleasanton, occupying 260,000 square feet of previously vacant Class A office space. More than 800 employees are expected to transfer to this campus during the next year.

Roche Molecular, a pharmaceutical and medical technology company, has begun a 138,000 square foot R&D expansion at its Hacienda Business Park campus. Plans call for the current expansion to be followed by the addition of a 39,000 square foot administration building.

December 29, 2006

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

South Bay Development Company submitted conceptual plans to develop over 721,000 square feet of mixed retail and commercial office space on 40 acres of the Bernal property at the intersection of Interstate 680 and Bernal Avenue. The office complex includes seven 4-story buildings with linkages to the retail center. An anchor tenant has been signed for the retail center and South Bay is in the process of seeking additional tenants.

Regency Centers submitted a proposal to develop a shopping center at Stanley Boulevard and Bernal Avenue to be anchored by a 135,000 square foot Home Depot and 30,000 square feet of additional retail space. Retail sales generated by the Regency Center development and the South Bay development are expected to add significant sales tax revenue to the City.

The Pleasanton Auto Mall, a key element of the City's business community, has executed a Memorandum of Understanding with Alameda County to relocate and expand its operations on approximately 30 acres at El Charro Road and I-580, locally referred to as Staples Ranch. In addition to increasing the sales space and inventory, the Auto Mall may add more dealers, contributing further to the City's tax revenues. The San Jose Sharks organization of the National Hockey League has proposed to build and operate a four ice rink facility and restaurant at the Staples Ranch site as part of a 17 acre City park.

In all, these activities indicate a very positive trend for Pleasanton's healthy, and growing, business market.

#### State Budget

A constitutional amendment (Proposition 1A), passed by State voters on November 2, 2004, limits the amounts of reductions of local government revenues in 2006-07 and future years and recharacterizes those reductions as "loans" rather than "takeaways". It also limits the State's ability to borrow local revenue allocations to twice every ten years. Another provision permanently reduces the vehicle license in lieu tax rate and replaces local governments' lost taxes with property tax money, the source of which has been transferred from local governments annually since 1993.

Since 1991-92, the City of Pleasanton has lost \$71.8 million in revenue. The major portion of the revenue loss is the result of statewide property tax shifts initiated by the State during the recession of the mid 1990's. Included in the above is the latest round of State budget impacts that started in 2003-04 and extend through 2005-06. These included an additional \$1.9 million of ERAF III funds in 2005-06. In addition, the State has continued to withhold reimbursement for the cost of complying with many State mandates.

#### 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. Build-out of the City's current General Plan is expected to occur in, or soon after, the year 2020 for both commercial and residential property, although residential build-out could occur sooner. The General Plan is currently under review and if changes are made, the estimated timeframe for build-out may change. In any event, as the City approaches build-out, revenue growth will naturally slow.

#### Risk Management

The City of Pleasanton uses programs of pooled resources and self-retained limits to reduce its costs for liability (tort and employment practices) and workers' compensation claims. The City uses its City Attorney and staff, supplemented by professional risk managers and claims administration firms, to minimize losses. The City participates in a multi agency joint powers authority (Bay Cities Joint Powers Insurance Authority) to provide coverage for tort liability losses in excess of \$100,000 and, through Bay Cities, participates in two other multi agency joint powers authorities (Employment Risk Management Authority and Local Agency Workers' Compensation Excess Joint Powers Authority) to provide coverage for employment practices losses and workers'

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

compensation claims (\$75,000 and \$500,000 respectively). These joint powers authorities and the City rely on estimates prepared by professional actuaries to deposit premiums adequate to meet potential losses.

#### Employee Benefits and Costs

The City's costs associated with employee and retiree medical insurance premiums, retirement contributions, and workers' compensation are expected to continue to increase although at rates lower than the last several years. The external factors contributing to this trend include the following:

- Nationally, the health care industry continues to struggle with providing cost effective medical insurance premiums to consumers and employers. For 2007, the City's medical insurance costs will increase about 13% and this rate of increase is expected to continue for the foreseeable future.
- New accounting standards issued by the Governmental Accounting Standards Board (GASB) that require states, cities, counties, and school districts to report the liability for non-pension retirement benefits, such as health insurance, the same way pensions are currently reported. GASB 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting requirements where employer assets are accumulated and benefits are paid as they come due in accordance with an agreement or understanding between the employer and employees and their beneficiaries. GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes financial reporting requirements for disclosing liabilities in financial statements and calculating annual contributions using actuarial methods to determine the present value of the future benefits. For the City of Pleasanton, GASB 43 becomes effective for the fiscal year ending June 30, 2008; and GASB 45 becomes effective for the fiscal year ending June 30, 2009.
- The California Public Employees' Retirement System (CalPERS) rate of return on their investments is improving. For the years 2001, 2002, and 2003, earnings were significantly lower than projected while CalPERS' earnings for the years ending June 30, 2004, 2005 and 2006 were better than expected. Market fluctuations are part of CalPERS' history. Even so, they report investment gains make up about 80% of CalPERS' total current assets. In the short term, the percentage contributed by the City toward retirement costs annually is likely to be comparable or slightly less than the 2006 amount.
- Changes to workers' compensation law over the past five years have increased some costs while decreasing others. Temporary disability benefits by state mandate were increased in 2002, and by 2006 the maximum weekly rate has increased by over 70 percent. Additionally, the costs of individual claims are also expected to be higher in concert with increased medical and litigation expenses. Further, the State of California added several "presumptive" medical conditions to the list of compensable injuries for which local governments must assume liability in certain public safety occupations. Reforms introduced in 2004 and implemented in 2005 that provide more opportunities for employer cost controls have helped offset these increases. For the year ending June 30, 2006, the City's costs were higher than expected due to a significant injury claim. However, the full impacts of the reforms are not yet clear and more experience under the new structure is needed before conclusions about long-term savings are made.

#### Cash Management and Policies

The City adheres to the provisions of the California Government Code section 53601 regarding investment of idle cash. The City Council annually reviews the investment policy. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury and agencies of the federal government, the State Treasurer's investment pool, and U.S. Treasury money market funds. Maturities of the investments can range from one to five years, with an average maturity in 2006 of 282 days. The average yield of investments not held by fiscal agents was 3.46%. It is the City's practice to hold investments to maturity; therefore, gains and losses due to temporary market fluctuations are rarely realized.

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

### Major Initiatives

In August 2000, the City Council approved the specific plan, zoning, and development agreement for the 516-acre Bernal Property. San Francisco's Water Department acquired this land in the 1930's as watershed. GHC Bernal Investors, LLC, purchased the land, which has since been annexed to the City, from San Francisco and to date has developed 5,000 square feet of retail, a 100-unit apartment complex (with 31 affordable units), and 481 single-family homes (with 56 affordable units). Conceptual plans have been submitted to develop up to 721,000 square feet of commercial/retail space on the site, adjacent to Interstate 680. In October 2002, 318 acres of the Bernal Property were dedicated to the City for open space and other public uses. Measure P, passed by Pleasanton voters in November 2006, allows the City Council to implement a land use plan that may include lighted sports fields, an outdoor amphitheatre, a children's play area, a cultural arts facility and significant open space. Due to the significant acreage involved and the range of recreational facilities anticipated, development will most likely occur over time and in phases. A long term financing plan is currently being developed.

On June 30, 2006, the Bay Area Rapid Transit system (BART) sold \$65 million in Sales Tax Revenue Bonds to finance the construction of the West Dublin/Pleasanton station to be located near the Stoneridge Mall. Groundbreaking for the station was held in late September. This is the second of two BART stations in the City of Pleasanton. The City is contributing \$1 million to a reserve fund for the project debt service and a reserve for operations and maintenance for the new station. A 350-unit apartment complex is proposed on a portion of the BART property.

Callippe Preserve Golf Course and Open Space, the City of Pleasanton's first 18-hole municipal golf course, was opened to the public in November 2005. Named after the endangered Callippe Silverspot butterfly, the golf course and open space encompasses over 425 acres of rolling hillsides and interesting canyons. In the past year, Callippe Preserve has been named one of the Top Ten public golf courses in California (Golf Week) and one of the Top Ten new public golf courses in the nation (Golf Digest). The golf course is operated by a private company under a management contract. The goal is for golf course revenues to eventually support all costs of operating the facility, and through the first eight months ending June 30, 2006, net income has exceeded the budget by over \$700,000. Nonetheless, it is anticipated that the City General Fund will be required to subsidize a portion of the project's \$1.6 million annual Certificate of Participation debt service in the near term.

The City of Pleasanton has placed a strong emphasis on public safety and disaster planning. Since September 11, 2001, the City has updated its Emergency Management Plan (EMP), implemented new emergency operations center management software, and improved its community-wide alerting system. The City has recently launched LEAP (Local Emergency Action Program), an innovative partnership between the City and local businesses and non-profit organizations to ensure continuity of business and service operations immediately following a local emergency or disaster.

The Firehouse Arts Center project encompasses the adaptive reuse of the historical 1929 Firehouse building located in the downtown. The historic building, along with newly constructed additions will house a small theater (240 seats), an art gallery, and classrooms. The Firehouse Arts Center project is considered a vital addition to the economic sustainability of the City's historic downtown.

The City of Pleasanton, in cooperation with the neighboring cities of Livermore, Dublin, San Ramon and Danville, formed the Tri-Valley Tourism Business Improvement District to benefit the Tri-Valley Visitors & Convention Bureau. An assessment of \$1 per occupied hotel room will generate approximately \$1 million annually to be spent on area tourism promotion and marketing.

### Long Term Financial Policies and Planning

Because the City anticipates a slowing of its revenue growth rate as it approaches General Plan build-out, long-term financial policies and planning have been formalized in the Economic and Fiscal Element of the General Plan. Its goals and programs are aimed at long-term fiscal sustainability.

December 29, 2006

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

The City's long-term financial policies place an emphasis on building reserves to fund capital assets while minimizing the use of debt. The City maintains a 10% reserve for economic uncertainties in the General Fund, currently totaling \$8.6 million. As of June 30, 2006, the City has \$5.1 million in the Temporary Recession Reserve, \$34.1 million in capital project reserves set aside for future projects, and \$30.9 million in reserves that have been set aside for insurance reserves, and long term replacement and renovation of equipment, vehicles, parks and facilities. Many of these capital reserves have a long-term focus, systematically being accumulated until needed to avoid excessive debt financing. Therefore, 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 (in excess of required minimum reserves) to help stabilize services. Therefore, if any of these reserves were drawn upon, the goal would be to begin restoring them as soon as possible thereafter.

Multi-layered reserves also help to insulate the City from prolonged State budget deficits, and the potential impacts on local agencies, schools and infrastructure. In the long term, the revenue structure in the State could change, with unknown impacts to the City.

With the diverse economic makeup of the community and prudent financial policies in place, the City should be able to maintain its local services and infrastructure as it ages. Few additional personnel are expected to be added as we approach build-out; therefore, the City does not expect to be reliant on continued double-digit increases in revenue in the future to remain fiscally healthy and to continue to maintain its high service levels.

#### **Awards and Acknowledgments**

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America 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 another certificate.

The preparation of the CAFR was made possible through the dedicated work of all of the members of the Accounting, Treasury and Administrative divisions of the Finance Department. Special thanks and acknowledgment are due to Sally Madrid, Financial Services Manager (Accounting), who bears the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Cheryl Caraballo, Josie Fong, Annette Gibson, Pat Heath, Dave Iremonger, Kathy Kitterman, Margaret Lyons, Mike Patrick, Diane Punzo, Ann Riley, Susan Rutkowsky, Sharon Svitak, and Lois Webb.

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,



David P. Culver  
Director of Finance



Nelson Fialho  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pleasanton  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**CITY OF PLEASANTON**

**LISTING OF PUBLIC OFFICIALS  
AS OF JUNE 30, 2006**

**ELECTED OFFICIALS:**

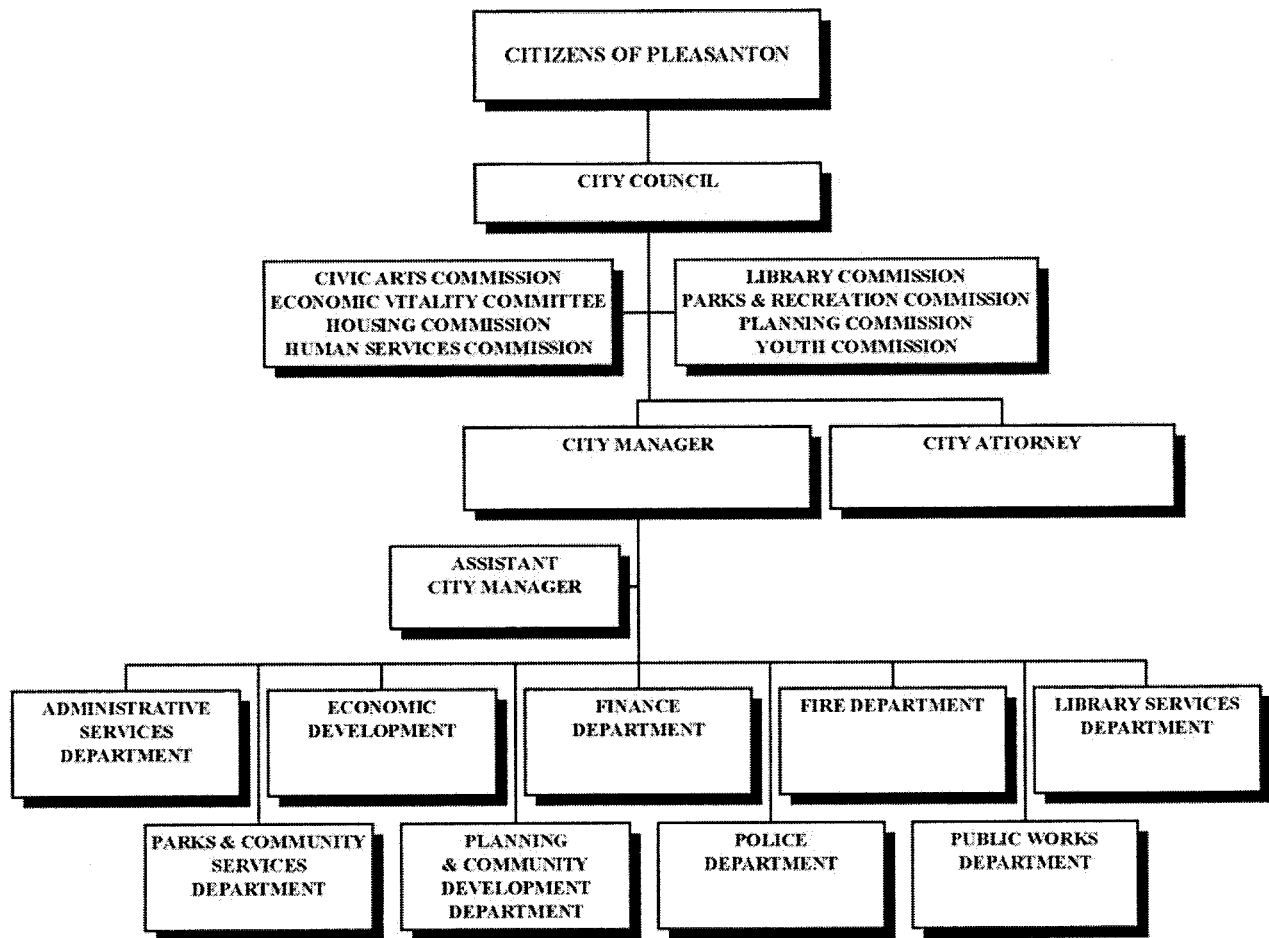
Mayor	Jennifer Hosterman
Vice Mayor	Steve Brozosky
Council Member	Cindy McGovern
Council Member	Matt Sullivan
Council Member	Jerry Thorne

**ADMINISTRATIVE PERSONNEL:**

City Manager	Nelson Fialho
Assistant City Manager	Steven Bocian
City Attorney	Michael Roush
Administrative Services Director	Lorie Tinfow
City Clerk	Karen Diaz
Director of Finance	David Culver
Director of Public Works & Utilities	Rob Wilson
Director of Planning & Community Development	Jerry Iserson
Director of Parks & Community Services	James Wolfe
Director of Library Services	Julie Farnsworth
Fire Chief	Bill Cody
Police Chief	Tim Neal
Economic Development Manager	Pamela Ott

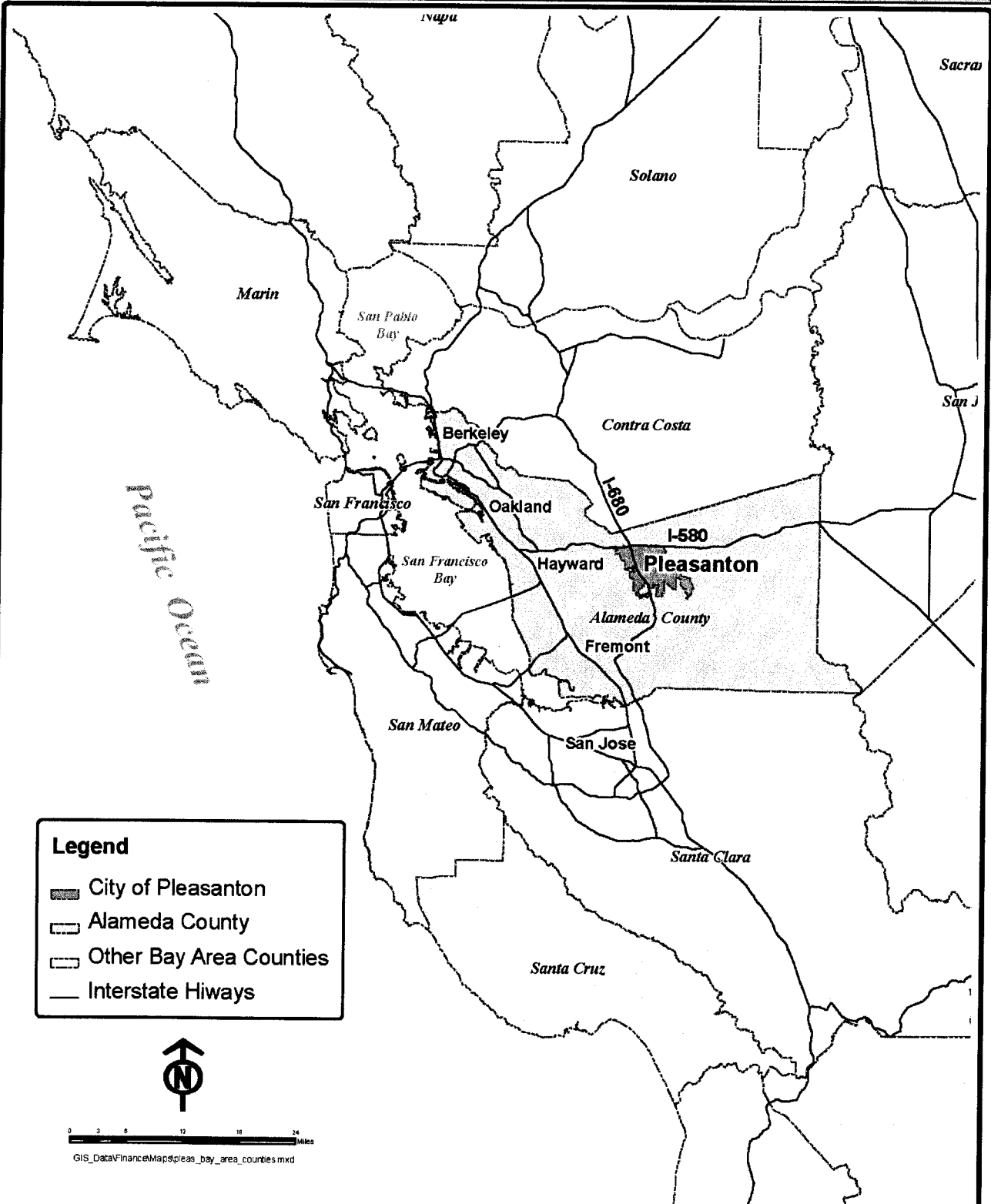
# CITY OF PLEASANTON

## 2006-07 ORGANIZATION CHART





# Pleasanton, California.



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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California (City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

As described in Note 1 to the basic financial statements, the City adopted Statement of the Governmental Accounting Standards Board No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, No. 44, *Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)*, No. 46, *Net Assets Restricted by Enabling Legislation*, and No. 47, *Accounting for Termination Benefits*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2006, 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The accompanying required supplementary information, such as management's discussion and analysis, budgetary comparison information and other information are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Capricci & Carlson*

Oakland, California  
October 14, 2006

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pleasanton's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2006 (FY06). 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 follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities by \$799.2 million (net assets). Of this amount, \$191 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$48.6 million is restricted for specific purposes (restricted net assets), and \$559.6 million is invested in capital assets, net of related debt.
- The City's total net assets increased by \$23.5 million during the fiscal year, a 3.1 percent increase. Of this amount, \$11.5 million was attributable to governmental activities, a 2.2 percent increase, and \$11.9 million was attributable to business-type activities, a 5.2 percent increase.
- The City's governmental funds reported ending fund balances of \$109.7 million, an increase of \$6.9 million or 6.8 percent in comparison with the prior year.
- The General Fund unreserved fund balance is \$23.9 million, of which \$8.6 million is designated for economic uncertainties, \$5.1 million is designated for temporary recession, \$3.9 million is designated for carryover appropriations, and \$6.3 million is designated for capital projects. The reserved portion of the fund balance is \$0.6 million and is primarily for encumbrances.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditor's Report, management's discussion and analysis (this portion), the basic financial statements including the required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

- 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 public works 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.
  - **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or agent 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 notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and the Pension Plan Schedule of Funding Progress. After

these required elements, we have included supplementary information consisting of combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and agency funds.

The government-wide financial statements and the fund financial statements present different views of the City, as 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, it is an integral part of the City's operations.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, planning and community development, public works, and community activities (parks, recreation, library). The business-type activities of the City include: water, sewer, golf, transit, and storm drain, 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 of 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, debt service, 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 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 of 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, 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, and retiree medical benefits. 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 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 the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information** includes information describing the City's progress towards funding its pension plan. The City participates in California's Public Employees Retirement System (CalPERS). Budgetary comparison schedules 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 and amendments adopted in the June preceding the start of the second year.

**Supplementary Information** includes information for non-major governmental, non-major enterprise, internal service, and agency 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 the fiscal years 2005 and 2006. The Statement of Net Assets for the two years will be discussed first, followed by a discussion of the Changes in Net Assets for the two years.

The following table is a summary of the Statement of Net Assets as of June 30, 2005 (2005) and June 30, 2006 (2006):

City of Pleasanton Net Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2005	2006	2005	2006	2005	2006	2005 to 2006
Current and other assets	\$175.6	\$196.0	\$60.2	\$66.1	\$235.8	\$262.2	11.2%
Capital assets	412.3	407.0	183.4	190.2	595.6	\$597.2	0.3%
Total assets	<u>\$587.8</u>	<u>\$603.1</u>	<u>\$243.6</u>	<u>\$256.3</u>	<u>\$831.4</u>	<u>\$859.4</u>	<u>3.4%</u>
Long-term liabilities	38.0	39.1	8.3	7.0	46.3	46.1	-0.5%
Other liabilities	6.0	7.6	4.1	6.5	10.1	14.1	39.9%
Total liabilities	<u>\$ 43.9</u>	<u>\$ 46.7</u>	<u>\$ 12.4</u>	<u>\$ 13.5</u>	<u>\$ 56.4</u>	<u>\$ 60.2</u>	<u>6.8%</u>
Net Assets:							
Invested in capital assets net of related debt	380.4	376.5	175.2	183.2	555.6	559.6	0.7%
Restricted	47.1	47.8	1.2	0.8	48.4	48.6	0.4%
Unrestricted	117.3	132.1	54.5	58.9	171.8	191.0	11.2%
Total net assets	<u>\$544.8</u>	<u>\$556.3</u>	<u>\$230.9</u>	<u>\$242.9</u>	<u>\$775.7</u>	<u>\$799.2</u>	<u>3.1%</u>



**Analysis of Net Assets** – With the consolidation of government-wide net assets into one statement and other changes such as the exclusion of fiduciary funds, net assets may now serve as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$799.2 million at the close of the current fiscal year. The City reported positive balances in all three categories of net assets, as well as for its separate governmental and business-type activities. Following are the primary components of the City’s net assets:

- The *unrestricted net assets* of \$191 million (23.9 percent of the total) represent amounts that may be used to meet the City’s ongoing obligations to its residential and business community, taxpayers, customers, and creditors. Governmental activities account for \$132.1 million of the unrestricted net assets of the City and business-type activities account for \$58.9 million.
- The net assets invested 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 are \$559.6 million (70.1 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 generally capital assets are not used to liquidate these liabilities. The City’s net investment in capital assets grew by \$1.6 million (0.3 percent) in 2006. Additions totaled \$23.7 million and included street improvements and developer dedications (\$12.7 million), golf course construction (\$4.3 million), and City water/sewer/storm projects and developer dedications (\$6.7 million). These additions were partially offset by depreciation and retirements of existing capital assets (\$22.1 million). At the same time, debt principal was reduced due to normal amortizations (\$2.5 million favorable net reduction).
- The remaining net assets of \$48.6 million (6.1 percent of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$32.2 million restricted for the construction of major capital projects and for capital maintenance, \$0.9 million to pay for upcoming debt payments, and \$15.5 million for all other. These amounts vary from year to year, so a comparison of 2005 and 2006 is not particularly meaningful.

The following table reflects the change in net assets for governmental and business-type activities.

City of Pleasanton Changes in Net Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total % Change
	2005	2006	2005	2006	2005	2006	
<b>Revenues:</b>							
Program revenues:							
Charges for Services	\$21.8	\$24.7	\$26.0	\$29.3	\$47.8	\$54.0	12.9%
Operating grants & contributions	4.7	5.7	-	-	4.7	5.7	21.8%
Capital grants & contributions	14.1	12.4	4.5	7.6	18.6	19.9	7.1%
General revenues:							
Property taxes	36.7	41.3	-	-	36.7	41.3	12.5%
Sales taxes	19.9	21.0	-	-	19.9	21.0	5.8%
All other taxes	9.3	10.6	-	-	9.3	10.6	14.5%
All other general revenues	5.6	4.9	3.2	3.6	8.8	8.5	-3.1%
Interfund charges	1.4	1.3	(1.4)	(1.3)	0.0	0.0	0.0%
<b>Total revenues</b>	<b>\$113.3</b>	<b>\$121.8</b>	<b>\$32.3</b>	<b>\$39.2</b>	<b>\$145.7</b>	<b>\$161.0</b>	<b>10.5%</b>
<b>Expenses:</b>							
General government	8.8	10.1	-	-	8.8	10.1	14.7%
Public safety	39.4	43.3	-	-	39.4	43.3	10.0%
Public works	20.5	26.1	-	-	20.5	26.1	26.9%
Community activities	16.5	17.8	-	-	16.5	17.8	7.9%
Water	-	-	13.1	15.2	13.1	15.2	16.4%
Sewer	-	-	11.6	11.5	11.6	11.5	-0.9%
Other	5.4	8.7	2.3	5.0	7.7	13.6	76.1%
<b>Total expenses</b>	<b>\$90.6</b>	<b>\$105.9</b>	<b>\$26.9</b>	<b>\$31.6</b>	<b>\$117.6</b>	<b>\$137.5</b>	<b>17.0%</b>
<b>Revenues over (under) expenses</b>	<b>\$22.7</b>	<b>\$15.9</b>	<b>\$5.4</b>	<b>\$7.6</b>	<b>\$28.1</b>	<b>\$23.5</b>	<b>-16.6%</b>
Transfer In/(Out)	(1.1)	(4.4)	1.1	4.4	0.0	0.0	0.0%
<b>Change in net assets</b>	<b>\$21.6</b>	<b>\$11.5</b>	<b>\$6.5</b>	<b>\$11.9</b>	<b>\$28.1</b>	<b>\$23.5</b>	<b>-16.6%</b>
Net assets, beginning of year	522.3	543.9	224.7	231.2	746.9	775.1	3.8%
Prior period adjustments	-	0.9	-	(0.2)	-	0.7	0.0%
<b>Net assets, end of year</b>	<b>\$543.9</b>	<b>\$556.3</b>	<b>\$231.2</b>	<b>\$242.9</b>	<b>\$775.1</b>	<b>\$799.2</b>	<b>3.1%</b>

### Changes in Net Assets

*Governmental Activities* increased the City's net assets by \$11.5 million, thereby accounting for 49.2 percent of the total growth in net assets of the City. This change is primarily the result of the following:

- The cost of governmental activities was \$105.9 million including expenses for public safety, public works, community activities, and general government. The expenses do not reflect capital outlays but rather include \$11.3 million in depreciation expenses.
- Program revenues only provided \$42.7 million of the resources to offset the cost of governmental activities.
  - Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, and library fees totaled \$24.7 million.
  - Capital grants and contributions provided \$12.4 million, including development related fees of \$3.4 million, contributions of \$3.4 million, and \$4.8 million in infrastructure dedications.
  - Operating grants and contributions totaled \$5.7 million.
- General revenues, interfund charges and transfers totaled \$74.7 million and included:
  - Tax revenues of \$72.9 million.
  - Investment income (not restricted to specific programs) of \$4.2 million.
  - Miscellaneous revenues, interfund charges and transfers between governmental activities and business-type activities, a total decrease of \$2.4 million.

*Business-type activities* increased the City's net assets by \$11.9 million or 50.8 percent of the total growth in the net assets of the City. The increase is due primarily to:

- Capital contributions of \$11.5 million in dedicated infrastructure related to new development (reflected in Capital Grants and Contributions and in Transfers). Water increased \$2.4 million, sewer increased \$2.8 million, golf increased \$2.8 million, and storm drain increased \$3.5 million.
- Unrestricted investment income of \$1.1 million.
- Equity interest in gain from joint ventures of \$1.9 million.
- Miscellaneous income of \$0.6 million and transfers, net of capital contributions from governmental activities, of \$0.4 million.
- Offset by interfund charges of \$1.3 million and expenses exceeding charges for services by \$2.3 million.

### Year to Year Variations in Revenues and Transfers

The City's total revenues were \$161 million for the year ended June 30, 2006, an increase of \$15.3 million from the prior year. Revenues from governmental activities totaled \$121.8 million, an increase of \$8.5 million. Program revenues increased by \$2.2 million. Tax and other general revenues increased by \$6.4 million. Interfund charges decreased by \$0.1 million. Revenues from business-type activities totaled \$39.2 million, an increase of \$6.8 million. This increase is mostly due to increases in capital contributions of \$3.1 million (which includes \$2.8 million received in the golf fund from developers); increases in charges for services of \$3.3 million (which includes \$2.7 million from the newly opened Callippe Preserve Golf Course); an equity interest in gain from joint ventures (\$1.9 million); and a decrease in investment income and other miscellaneous general revenues of \$1.5 million. Transfers increased \$3.2 million, mostly due to capital contributions from governmental activities to business-type activities

for the infrastructure in the Vineyard Avenue Corridor (\$3.9 million), offset by a decrease in other transfers of \$0.7 million.

Program revenues include charges for services, grants and contributions. Program revenues provided \$79.6 million (49.4 percent of the total revenues). Program revenues made up 35.1 percent of governmental activities revenue. In the prior year, program revenues accounted for 35.8 percent of governmental activities revenue. Program revenues accounted for 94.2 percent of business-type activities revenue, compared to 94.5 percent in 2005.

General revenues include, among other things: taxes, intergovernmental revenues such as vehicle license fees (VLF), franchise taxes, and investment income not restricted to specific programs. General revenues provided \$81.4 million (50.6 percent of the total revenues), and increased by 9.2 percent from fiscal year 2005. The majority of general revenues came from property, sales, and other taxes (89.6 percent of general revenues). Only 4.5 percent of the general revenue relates to business-type activities revenue.

Interfund charges reflect transactions between funds. The year to year change is minimal.

Transfers from governmental and business-type activities increased \$3.2 million.

#### Year to Year Variations in Expenses

Expenses of the City for the year totaled \$137.5 million. Governmental activities incurred \$105.9 million in expenses (77 percent of the total), and business-type activities incurred \$31.6 million in expenses during the year (23 percent of the total).

Expenses were up \$20 million (17 percent overall) in 2006 compared to 2005. Governmental activities increased \$15.3 million (16.9 percent), due mostly to an increase in public works expenses of \$5.5 million, which vary from year to year due to capital projects; an increase in public safety expenses of \$3.9 million due to employee cost increases, and an increase in planning and community development expenses of \$3.4 million due mostly to \$2.7 million in loans from the Lower Income Housing fund extended to BLP Partnership to construct the assisted living facility. Business-type activities increased \$4.7 million (17.3 percent). Of this increase, \$2.1 million occurred in the water enterprise and \$2.5 million occurred in the golf enterprise.

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 provide services and capital project construction. In particular, unreserved fund balance may serve as a useful measure of a government's net spendable resources.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$109.7 million, an increase of \$6.9 million in comparison with the prior year. Approximately \$108.6 million of the amount constitutes *unreserved fund balance*.

The net increase in fund balance is due to increases in the General Fund of \$1.9 million and the Non-major Governmental funds of \$5.2 million, offset by a \$0.2 million decrease in the Lower Income Housing fund.

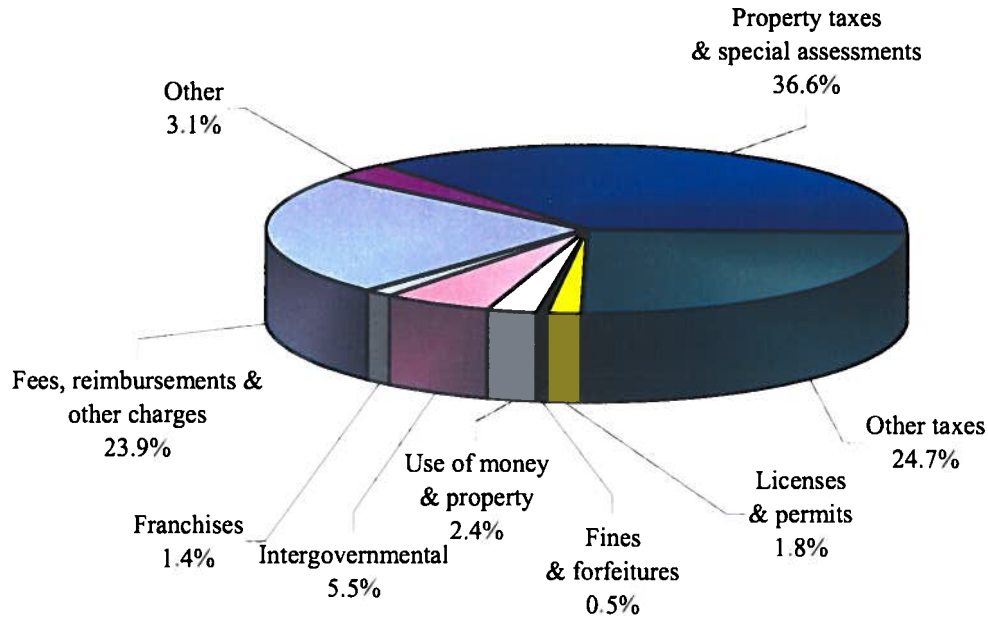
Reserves in the General Fund are increasing for future capital projects and debt service, and as a protection against unknown economic conditions. While there are no major Capital Project funds in 2006, in general, project expenditures vary from year to year, and reserves are being established to fund specific projects in the coming years. Reserves in the Lower Income Housing fund will be used to expand affordable housing opportunities. The

remainder of the governmental funds combined fund balance (\$1 million) is *reserved* to indicate that it is *not* available for new spending because it has been encumbered or committed to pay debt service.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

City of Pleasanton Revenues Classified by Source Governmental Funds (In millions of dollars)						
Revenues by Source	FY 2005		FY 2006		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$36.9	34.1%	\$41.5	36.6%	\$4.6	12.5%
Other taxes	27.3	25.3%	28.0	24.7%	0.7	2.7%
Licenses and permits	2.3	2.1%	2.0	1.8%	-0.2	-10.7%
Fines and forfeitures	0.6	0.6%	0.6	0.5%	-0.1	-8.8%
Use of money & property	3.5	3.3%	2.8	2.4%	-0.8	-21.4%
Intergovernmental	5.1	4.7%	6.2	5.5%	1.1	21.1%
Franchises	1.5	1.4%	1.6	1.4%	0.1	7.8%
Fees, reimbursements & other chrgs	27.3	25.3%	27.1	23.9%	-0.3	-0.9%
Other	3.6	3.3%	3.5	3.1%	-0.1	-2.8%
<b>Total</b>	<b>\$108.1</b>	<b>100.0%</b>	<b>\$113.2</b>	<b>100.0%</b>	<b>\$5.0</b>	<b>4.6%</b>

**Revenues by Source  
Governmental Funds**



The following provides an explanation of revenues by source that changed significantly from the prior year.

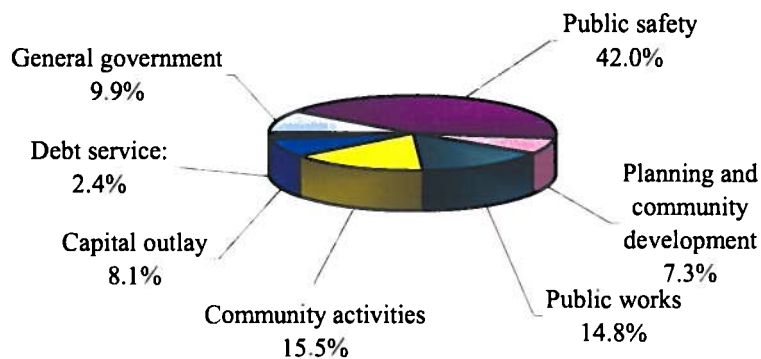
- **Property taxes** increased by \$4.6 million, from \$36.7 million to \$41.3 million during the year (12.5 percent increase). This increase is primarily due to a \$1 billion (7.7 percent) increase in the secured property tax assessment roll in comparison to the prior year, which accounts for about \$2.7 million of the increase. Supplemental taxes increased approximately \$1.1 million in 2006. In addition, as a result of a State constitutional amendment (Proposition 1A) approved by the voters in November 2004, the City receives additional property tax dollars in lieu of vehicles license fees, which totaled about \$4.3 million in 2006. Offsetting these increases, as part of the State budget solution, the State made one-time additional property tax shifts away from local governments (ERAF III) in 2005 and 2006. The City lost \$1.9 million in 2006 due to ERAF III.
- **Other taxes** increased \$0.7 million (2.7 percent). This increase is primarily due to increases in sales tax of \$0.8 million (5.5 percent) offset by a \$0.6 million (12.7 percent) decrease in property tax in lieu of sales tax; and a combined increase in business license, hotel and documentary transfer taxes of \$0.5 million (5.9 percent). The decrease in the property tax in lieu of sales tax was a one-time event due to the State making a change in the "triple flip" calculation. The State Department of Finance originally reimbursed cities for 10 ½ months of sales tax reduction in the first year (FY 2004-05) of the "triple flip" with the new property tax in lieu of sales tax. However, after that occurred, the State Board of Equalization reversed the State Department of Finance's position by determining that the reimbursement should have only been based on a 9 month period. The six week difference was deducted from the FY 2005-06 reimbursement.
- **Intergovernmental** revenues vary year by year, and reflect an increase of \$1.1 million, due mostly to the increase in State vehicle license in lieu fees (an increase of \$0.8 million in 2006), and more grant/subvention funds received in 2006 compared to 2005.
- **Use of money and property** (interest income and rents) decreased by \$0.8 million or 21.4 percent. The majority of this decrease (\$0.6 million) is due to the restructuring of Pleasanton Joint Powers Financing Authority (PJPPFA) debt in the previous year. As a result, the PJPPFA now acts as an Agency Fund rather than a component unit of the City. 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 market value instead of cost. As a result, changes in value at the end of 2006 compared to 2005 accounted for \$0.4 million of this decrease. Other interest earnings increased by \$0.2 million.
- **All other revenues** reflect a small net decrease of \$0.6 million. These revenues **include licenses and permits, fines and forfeitures, franchises, fees, reimbursements, & other miscellaneous**. However, within these categories, development related revenues vary from year to year and accounted for a \$2.3 million decrease. This decrease was offset by increases in other revenues including: \$1.1 million from the City of Livermore for their share of the Livermore-Pleasanton Fire Department, and \$0.5 million from Recreation fees, franchises, and miscellaneous reimbursements.

The table on the following page presents expenditures by function compared to prior year amounts.

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

Expenditures by Function	FY 2005		FY 2006		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
<b>Current:</b>						
General government	\$9.3	9.3%	\$10.3	9.9%	\$1.0	10.8%
Public safety	40.0	40.0%	43.8	42.0%	3.8	9.5%
Planning and community development	3.6	3.6%	7.6	7.3%	4.0	111.1%
Public works	14.5	14.5%	15.4	14.8%	0.9	6.2%
Community activities	14.8	14.8%	16.2	15.5%	1.4	9.5%
Capital outlay	15.4	15.4%	8.5	8.1%	-6.9	-44.8%
<b>Debt service:</b>						
Principal	0.8	0.8%	1.3	1.2%	0.5	62.5%
Interest and fiscal charges	1.5	1.5%	1.2	1.2%	-0.3	-20.0%
<b>Total</b>	<b>\$99.9</b>	<b>100.0%</b>	<b>\$104.3</b>	<b>100.0%</b>	<b>\$4.4</b>	<b>4.4%</b>

**Expenditures by Function  
Governmental Funds**



The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- **General Government** – The net increase of \$1 million is mostly due to increased personnel costs (\$0.5 million) and increased Information Systems replacement, election costs and community subsidies (\$0.3 million).
- **Public Safety** - The net increase of \$3.8 million is mostly due to increased personnel costs including salary and benefit costs. Police department personnel costs increased \$2 million, Pleasanton share of the Livermore-Pleasanton Fire Department increased \$.8 million, and the City of Livermore’s share increased \$1.1 million. Livermore’s increase was greater than Pleasanton’s because three additional Livermore firefighters were hired in the fall of 2005.

- **Planning and community development** – \$4 million of the increased costs relates to year-to-year variations in affordable housing programs expenditures. The current year included a \$2.7 million loan for the new assisted living facility.
- **Public works** – The net increase of \$0.9 million is mostly due to increased personnel costs of \$1 million, and increased non-personnel costs of \$0.2 million that are offset by a decrease of about \$0.2 million in non-capitalized public works projects, which often vary from year to year. Non-capitalized projects include maintenance and small infrastructure projects that do not meet the capital outlay thresholds.
- **Community activities** – The net increase of \$1.4 million is mostly due to increase personnel costs of \$0.9 million, contract services including non-capitalized parks projects of \$0.3 million, equipment/park replacement of \$0.1 million, and increased electricity costs of \$.1 million.
- **Capital outlay** also varies from year to year and decreased by over \$6.9 million (44.8 percent). Significant project costs that were incurred in the prior year included the relocation of Fire Station 4 and the Undergrounding of First Street Utilities.

### **Major Governmental Funds**

The **General Fund** is always one of the major *Governmental funds*, and is the primary operating fund of the City where most City services are accounted for, including: public safety, public works, parks and community services, library, planning and community development, and general government.

By policy, the City maintains a reserve for economic uncertainties equal to 10 percent of annual General Fund revenues. Also by policy, any one-time revenue sources are used for one-time purposes, such as capital projects.

General Fund budget to actual variances for the year ending June 30, 2006, will be discussed in more detail starting on page 15. The below is a summary:

- Revenues exceeded projections by \$1.3 million (1.6 percent) due mostly to property and sales tax revenues exceeding expectations.
- Expenditures net of transfers out were less than expected by \$4 million.
- After carrying over \$3.1 million in appropriations to FY07 for outside services and other items that were not complete by year-end, the result was an unbudgeted surplus of \$2.2 million.

From this additional \$2.2 million surplus:

- \$0.16 million was added to Economic Uncertainties Designations in addition to \$0.45 million already budgeted, bringing its balance to \$8.6 million.
- \$2 million was added to Capital Projects Designations, which had a beginning balance of \$5.4 million, from which \$1.1 million was used, as budgeted in FY06. With the additional \$2 million surplus added, the resulting ending balance is \$6.3 million.

Of this \$6.3 million in the Capital Projects Designations:

- \$3.8 million has been designated for future capital projects that will be determined as part of the next budget process.
- \$2.5 million has been designated to fund a reserve for future debt service payments, in accordance with adopted policies for the Callippe Preserve Golf Course and Open Space.

The table on the following page summarizes all General Fund reserves and designations, showing the beginning balances, plus changes resulting from FY06 operations and transfers to the CIP, and the resulting ending balances.

City of Pleasanton General Fund Reserves and Designations at 6/30/06					
	Balance 6/30/2005	Budgeted Additions	Year-end 06 Actual Additions	Budget to Actual Variance	Balance 6/30/2006
<b>Reserved:</b>					
Encumbrances	\$ 568,180	\$ -	\$ (7,223)	\$ (7,223)	\$ 560,957
Inventory	44,422	-	(115)	(115)	44,307
<b>Unreserved, designated:</b>					
Economic Uncertainty	8,000,000	450,000	610,000	160,000	8,610,000
Carryovers	3,510,563	(2,759,605)	395,090	3,154,695	3,905,653
Capital Projects	5,400,000	(1,100,000)	900,000	2,000,000	6,300,000
Temporary Recession	5,100,000	-	-	-	5,100,000
<b>TOTAL</b>	<b>\$ 22,623,165</b>	<b>\$ (3,409,605)</b>	<b>\$ 1,897,752</b>	<b>\$ 5,307,357</b>	<b>\$ 24,520,917</b>

While the City maintains the above reserves and designations consistent with its formal financial policies, only \$0.6 million of the \$24.5 million ending fund balance was contractually committed (encumbered). This encumbrance, along with the gasoline inventory balance of \$44.3 thousand, is reflected on the Governmental Funds Balance Sheet as the “reserved” portion of the General Fund’s total fund balance as of June 30, 2006. The remaining \$23.9 million is reported as “unreserved” but designated. These City Council approved designations represent plans for financial resource utilization in a future period, but are subject to change.

The City’s *Special Revenue* funds are used to account for revenues that carry restrictions on their use, such as gas tax revenues, grants and contributions.

- Some special revenues are restricted for capital use and some are restricted for specific kinds of operating expenditures. Others can be used for a combination of uses.
- Examples of the types of uses for these revenues include street and park construction and improvement projects and certain operating expenditures such as grant funded public safety equipment, recycling programs and housing assistance programs.
- Highlights of the *major Special Revenue* funds include:
  - The *Lower Income Housing fund* is funded with developer fees, and other financing sources such as State loans. The money is used to provide both rental and ownership affordable housing in the City through programs that subsidize rents and provide second mortgages to first time homebuyers. Examples of recent projects include an assisted living project on City-owned land, a home ownership second mortgage program, and financial assistance to a senior housing (rental apartments) project. Construction of the assisted living facility is nearing completion with the help of approximately \$2.7 million in City loans during 2006.
  - The Livermore-Pleasanton Fire Department (Livermore Share Only) fund accounts for Livermore’s share of the costs for the joint fire department between the neighboring cities. Expenses were about 10.6 percent greater this year than in 2005, due primarily to increases in personnel costs including negotiated pay and benefit increases. Approximately \$0.3 million of this increase was due to the hiring of three additional firefighters in the fall of 2005.

The City’s *Capital Project* funds are used to account for large construction and improvement projects.

- Funding sources include routine annual and one-time transfers from the *General Fund* and developer impact fees and contributions.



- Because projects vary from year to year, a financial comparison between years has little meaning.
- The City's policy is to not start projects that have significant developer funding expected until the fees have been received. This practice helps avoid committing to a project one year and then finding that a weakening economy in the following year results in developer fee funding shortfalls in the midst of project construction.
- None of the *Capital Project* funds was classified as a major fund in 2006.

The City had two *Debt Service* funds remaining as of June 30, 2006. The debt financed construction of City facilities such as the Senior Center, Callippe Preserve Golf Course and the Operations Service Center. None of the *Debt Service* funds was classified as a major fund in 2006.

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

At the end of the fiscal year, the unrestricted net assets consisted primarily of \$28 million for the Water Fund, \$25.8 million for the Sewer Fund, \$2.8 million for the Golf Fund, and \$1.3 million for the remaining *non-major enterprise funds*. Included within the unrestricted net assets, among other things, are amounts already committed for capital projects.

Net assets of the proprietary funds increased \$11.9 million, including \$3 million in the Water Fund, \$3.4 million in the Sewer Fund, \$2.6 million in the Golf Fund, and a \$2.9 million increase in the non-major enterprise funds.

- The increase in the Water Fund was due primarily to capital contributions of \$2.3 million, and non-operating revenues of \$0.6 million. The capital contributions included water infrastructure at Callippe Preserve Golf Course and on the Vineyard Avenue Corridor.
- The increase in the Sewer Fund was due primarily to capital contributions of \$2.8 million and an equity interest in gain from joint ventures of \$1.9 million; offset by an operating loss of \$1.4 million. The capital contributions included sewer infrastructure at Callippe Preserve Golf Course and on the Vineyard Avenue Corridor.
- Construction of the City's Callippe Preserve Golf Course was completed this year, and operations began in November 2005. Net assets increased by \$2.6 million, due primarily to capital contributions of \$2.8 million.
- The net increase in the non-major enterprise funds was due primarily to a \$2.7 million increase in the Storm Drain Fund, resulting from capital contributions of \$3.5 million; offset by an operating loss of \$0.9 million. The capital contributions included storm drain infrastructure at Callippe Preserve Golf Course and on the Vineyard Avenue Corridor.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The table on the following page displays the General Fund's original budget, final budget and actual results for 2006 revenue, expenditures and transfers. While revenues exceeded projections by 1.6 percent (\$1.3 million), expenditures net of carryovers were under budget by about 1.4 percent (\$1.2 million).

Differences between the original and final revenue budget reflect an increase of \$2.6 million (3.2 percent), and reflect (among other things) adjustments in projections for property, sales and other tax revenues (\$1.3 million increase), and intergovernmental revenue (\$1.1 million increase). Differences between the original and final expenditure budget represent a \$4.4 million increase (5.7 percent), and relate mostly to carryover appropriations from the prior year (\$3.9 million).

### General Fund 2005-06 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues	\$81,919,570	\$84,545,342	\$85,871,446	\$1,326,104
Expenditures	76,839,570	81,254,947	76,946,283	4,308,664
Other Financing Sources(Uses):				
Transfers in	0	0	0	0
Transfers out	(6,700,000)	(6,700,000)	(7,027,411)	(327,411)
Net change in fund balance	(\$1,620,000)	(\$3,409,605)	\$1,897,752	\$5,307,357

General Fund actual revenues exceeded projections by \$1.3 million in 2006. Revenue categories that significantly exceeded budget included property tax (\$1.1 million) and sales tax (\$518,000). These increases were offset by miscellaneous reimbursements that were \$285,000 less than budgeted due mostly to a delay in receiving a grant.

Expenditures net of transfers out were less than expected by \$4 million. Of the \$4 million, \$3.1 million in appropriations were carried over to 2007, leaving a net variance of \$.9 million in expenditures (after carryovers). Most of the variance was in personnel costs (\$.8 million under budget).

### 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, 2006 was \$597.2 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, buildings, improvements other than buildings, construction in progress, vehicles and equipment. The total increase in the City's investment in capital assets for the current period was \$1.6 million (0.3 percent).

Major capital asset events during the current fiscal year included:

- Governmental activities totaling \$12.7 million included:
  - New City street improvements (\$6.3 million) and developer dedications (\$4.9 million).
  - Replacement of vehicles and equipment and repairs of facilities (\$1.1 million).
- These additions were offset by decreases due to depreciation and retirements of existing capital assets (\$14.9 million).
- An asset transfer of \$3.9 million was made to the Sewer Fund (\$1.6 million), the Water Fund (\$.7 million), and to the Storm Drain Fund (\$1.6 million) for the Vineyard Avenue Corridor project; offset by an asset transfer received from the Golf Fund of \$0.9 million.
- Business-type activities totaling \$11 million included:
  - Golf course construction costs (\$4.3 million)
  - Various City water/sewer/storm drain projects (\$1.8 million) and developer dedications of infrastructure (\$4.7 million).

- These additions were partially offset by decreases due to depreciation and retirements of existing capital assets (\$7.3 million).
- An asset transfer of \$3.9 million was received from governmental activities for the Vineyard Avenue Corridor project; offset by an asset transfer from the Golf Fund to governmental activities of \$0.9 million.

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

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes from the prior year.

City of Pleasanton Capital Assets (net of depreciation, in millions of dollars)							
	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2005	2006	2005	2006	2005	2006	% Change
Infrastructure	\$123.3	\$127.6	\$125.1	\$134.5	\$248.4	\$262.0	5.5%
Land	205.0	207.5	9.2	9.2	214.1	216.7	1.2%
Buildings	37.5	40.6	8.2	11.0	45.7	51.5	12.7%
Improvements other than buildings	16.8	15.4	0.8	28.5	17.5	43.9	150.9%
Vehicles & equipment	9.7	8.8	3.2	3.3	12.9	12.0	-6.9%
Construction in progress	20.1	7.2	36.9	3.8	57.0	11.0	-80.7%
Total	\$412.3	\$407.0	\$183.4	\$190.2	\$595.6	\$597.2	0.3%

Among the significant design/construction commitments were \$2.4 million for Resurfacing of Various Streets, \$1.9 million for the Santos Ranch Rd. Pump Station Improvements, \$1.0 million for the Kottinger Creek Restoration, \$.6 million for the Stoneridge Drive Pipeline, \$.5 million for the Vineyard Roundabout Removal and \$.5 million for the Firehouse Arts Center.

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

#### Debt Administration

Debt considered a liability of governmental activities increased by a net \$0.2 million in FY06.

- The 2003 Certificates of Participation (COPs) outstanding were reduced by \$845,000 as the result of the normal amortization of the debt.
- The 2004 Certificates of Participation (COPs) outstanding were reduced by \$485,000 as the result of the normal amortization of the debt.
- The State CalFHA (California Housing Finance Agency) Help Program note payable increased by \$20,000 this fiscal year.
- A State CalFHA Help Loan was received for \$1,500,000 to assist in the construction of the assisted living project.

Debt of the business-type activities decreased in 2006 by \$1.4 million as the result of the normal amortization of various debt issues.

The City's bonded indebtedness maintains a Moody's issuer rating of Aa2. Its Certificates of Participation, and Sewer and Water Revenue bonds have underlying ratings of A1. However, all except the 2002 Sewer bonds are insured and, therefore, carry Aaa ratings.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2005 and 2006:

<b>City of Pleasanton</b>						
<b>Long Term Debt Outstanding</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>
State CalHFA Help Program note payable	\$ 75,000	\$ 95,000	\$ -	\$ -	\$ 75,000	\$ 95,000
State CalHFA Help Loan	-	1,500,000				1,500,000
Golf Course Capital Lease	-		697,845	567,546	697,845	567,546
2003 Certificates of Participation	27,850,000	27,005,000			27,850,000	27,005,000
2004 Refunding Lease Certificates of Participation	4,040,000	3,555,000			4,040,000	3,555,000
Notes Payable - Federal Financing Bank			401,173	361,499	401,173	361,499
2002 Sewer Revenue Bonds			1,900,000	1,555,000	1,900,000	1,555,000
2004 Water Revenue Bonds			3,595,000	2,945,000	3,595,000	2,945,000
2004 Sewer Revenue Bonds			1,760,000	1,565,000	1,760,000	1,565,000
<b>TOTAL</b>	<b>\$31,965,000</b>	<b>\$32,155,000</b>	<b>\$8,354,018</b>	<b>\$6,994,045</b>	<b>\$40,319,018</b>	<b>\$39,149,045</b>

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

#### **Economic Factors and Future Budget Outlook**

- The major factors affecting Pleasanton's economic position are its geographic location and its attractiveness to businesses. Reasons for this attraction include proximity to San Francisco and Silicon Valley, transportation access, low crime rates, moderate climate, a well-educated labor pool, excellent schools, housing stock, parks, community facilities, and the hometown feel of the historic downtown.
  - Despite the regional economic stagnation of the past few years, the East San Francisco Bay Area and the Tri-Valley in particular, where Pleasanton is located, were less severely impacted. The past 12 months have brought a significant increase in business expansion and relocation activity, reflecting a once-again growing market.
  - According to the 2006 economic forecast issued by the Association of Bay Area Governments (ABAG), the recovery has been speeding up, particularly in the East Bay. Although high technology is lagging a little behind, construction, financial activities, education and health services have seen job growth.
  - In comparing 2006 to the prior year, the City has experienced increases in many of its major revenue sources that are tied to regional economic growth, including secured property tax (8.5%), sales tax (5.8%), hotel tax (9.1%) and business license tax (1.8%) revenues.
- Since 1991-92, the City of Pleasanton has lost \$71.8 million in revenue combined with increased mandated costs. The major portion of the revenue loss is the result of statewide property tax shifts initiated by the State during the recession of the mid 1990's. Included in the above is the latest round of State budget impacts that started in 2003-04 and extend through 2005-06. These included an additional \$1.9 million of ERAF III funds in 2005-06. In addition, the State has continued to withhold reimbursement for the cost of complying with many State mandates.

- A constitutional amendment (Proposition 1A), passed by State voters on November 2, 2004, limits the amounts of reductions of local government revenues in 2007 and future years.
  - Reductions are recharacterized as “loans” rather than “takeaways”.
  - The State’s ability to borrow local revenue allocations is limited to twice every ten years.
  - The vehicle registration fee was permanently reduced, but local governments’ lost taxes were replaced with property tax money (that has been transferred from local governments annually since 1993).
- Callippe Preserve Golf Course and Open Space was opened to the public in November 2005. The goal is for golf course revenues to eventually support all costs of operating the facility. It is anticipated that the City General Fund will be required to subsidize a portion of the project’s \$1.6 million annual Certificate of Participation debt service in the near term. The City adopted a policy of funding any projected debt service shortfalls at least one two-year budget cycle in advance. As of June 30, 2006, \$3.2 million in reserves have been set aside to fund projected shortfalls through 2009.
- The City’s costs associated with employee and retiree medical insurance premiums, retirement contributions, and workers’ compensation are expected to continue to increase although at rates lower than the last several years. The external factors contributing to this trend include the following:
  - Nationally, the health care industry continues to struggle with providing cost effective medical insurance premiums to consumers and employers. For 2007, the City’s medical insurance costs will increase about 13% and this rate of increase is expected to continue for the foreseeable future.
  - New accounting standards issued by the Governmental Accounting Standards Board (GASB) that require states, cities, counties, and school districts to report the liability for non-pension retirement benefits, such as health insurance, the same way pensions are currently reported. GASB 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting requirements where employer assets are accumulated and benefits are paid as they come due in accordance with an agreement or understanding between the employer and employees and their beneficiaries. GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes financial reporting requirements for disclosing liabilities in financial statements and calculating annual contributions using actuarial methods to determine the present value of the future benefits. For the City of Pleasanton, GASB 43 becomes effective for the fiscal year ending June 30, 2008; and GASB 45 becomes effective for the fiscal year ending June 30, 2009.
  - The California Public Employees’ Retirement System (CalPERS) rate of return on their investments is improving. For the years 2001, 2002, and 2003, earnings were significantly lower than projected while CalPERS’ earnings for the years ending June 30, 2004, 2005 and 2006 were better than expected. Market fluctuations are part of CalPERS’ history. Even so, they report investment gains make up about 80% of CalPERS’ total current assets. In the short term, the percentage contributed by the City toward retirement costs annually is likely to be comparable or slightly less than the 2006 amount.
  - Changes to worker’s compensation law over the past five years have increased some costs while decreasing others. Temporary disability benefits by state mandate were increased in 2002, and by 2006 the maximum weekly rate will have increased by over 70 percent. Additionally, the costs of individual claims are also expected to be higher in concert with increased medical and litigation expenses. Further, the State of California added several “presumptive” medical conditions to the list of compensable injuries for which local governments must assume liability in certain public safety occupations. Reforms

introduced in 2004 and implemented in 2005 that provide more opportunities for employer cost controls have helped offset these increases. For the year ending June 30, 2006, the City's costs were higher than expected due to a significant injury claim. However, the full impacts of the reforms are not yet clear and more experience under the new structure is needed before conclusions about long-term savings are made.

- Several business development plans are underway in the City of Pleasanton. This positive trend in the business market should lead to increased property and sales tax revenues to the City in the coming years. Plans include:
  - An upgrade and expansion of the Stoneridge Shopping Center. Two new restaurants opened during 2006 and additional retail space is expected to be constructed in early 2007 and completed by mid 2009. This upgrade will continue to solidify Stoneridge Mall's place as a top regional destination draw.
  - The State Insurance Compensation Fund relocated to a facility with 260,000 square feet of previously vacant Class A office space also in Hacienda Business Park. Plans include for more than 800 employees to be transferred to this campus.
  - The Pleasanton Auto Mall, a key element of the City's business community, has executed a Memorandum of understanding with Alameda County for property at El Charro Road and I-580, locally referred to as Staples Ranch. Based on the strength of its sales, the Auto Mall wants to expand and has identified the approximately 30 acres at El Charro as an ideal location. In addition to increasing the sales space and inventory, the Auto Mall may add more dealers, contributing further to the City's tax revenues.
  - South Bay Development plans to add 125,000 square feet of retail and 596,000 square feet of commercial development to the Bernal property on approximately 40 acres along the I-680 corridor.
  - Regency Centers plans to develop a shopping center at Stanley/Valley/Bernal Avenue anchored by a 135,000 square foot Home Depot and 30,000 square feet of adjoining retail uses.
  - As part of an increased focus on tourism and its importance to the regional economy, the Tri-Valley Convention & Visitors Bureau manages a newly created Tourism Business Improvement District. Area hotels with more than 35 rooms assess a surcharge of \$1 per room per night which generates approximately \$1 million per year to be spent on tourism promotion and marketing.
- As the City approaches General Plan build-out, revenue growth will naturally slow.
  - Build-out is expected to occur in about the year 2020 for both commercial and residential property. However, the General Plan is currently under review and the estimated timeframe for build-out may change.
  - In anticipation of slowing of revenue growth, long-term financial policies and planning have been formalized in the Economic and Fiscal Element of the General Plan. Its goals and programs are aimed at long-term fiscal sustainability.
  - With the diverse economic makeup of the community and prudent financial policies in place, the City should be able to maintain its local services and infrastructure as it ages. Few additional personnel are expected to be added as we approach build-out, therefore, the City does not expect to be reliant on continued double-digit increases in revenue in the future to remain fiscally healthy and to continue to maintain its high service levels.
- The City's long-term financial policies place an emphasis on building and maintaining adequate reserves.

- Many of the reserves have a long-term focus, systematically being accumulated until needed to avoid excessive debt financing. Therefore, if needed, these reserves could be drawn upon temporarily to sustain operations, such as during a prolonged economic downturn or to react to State Budget impacts, 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 (in excess of required minimum reserves) to help stabilize services. Therefore, if any of these reserves were drawn upon, the goal would be to begin restoring them as soon as possible thereafter.
- The City has unrestricted net assets of \$30.9 million in its internal service funds designated for replacement and liability reserves, \$34.1 million in its Capital Project funds, and \$8.6 million in General Fund reserves for economic uncertainties, as well as \$5.1 million in the Temporary Recession Reserve, all of which could be drawn upon temporarily to respond to any unexpected economic impacts or California State budget impacts, if necessary.
- In the long term, the revenue structure in the State could change, with unknown impacts to the City.
- The Water and Sewer enterprises are funded with user charges, and therefore are only indirectly impacted by economic cycles. Rates were not changed in fiscal year 2006. Local and regional sewer rates will be reviewed for fiscal year 2007 and 2008.

#### **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, CA 94566.

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**BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Pleasanton**  
**Statement of Net Assets**  
**June 30, 2006**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 177,141,565	\$ 44,792,578	\$ 221,934,143
Receivables (net):			
Accounts	9,122,754	4,234,624	13,357,378
Taxes	730,777	-	730,777
Grants	268,712	-	268,712
Interest	1,934,491	499,653	2,434,144
Internal balances	(964,921)	964,921	-
Inventory and prepaid items	44,307	106,635	150,942
Restricted cash and investments	411,095	814,068	1,225,163
Long-term receivable	-	130,408	130,408
Notes receivable	6,481,692	-	6,481,692
Bond issuance cost, net	851,006	209,287	1,060,293
Net investment in joint ventures	-	14,397,692	14,397,692
Capital assets:			
Nondepreciable	214,722,447	12,962,195	227,684,642
Depreciable, net	192,306,604	177,199,139	369,505,743
<b>Total assets</b>	<u>603,050,529</u>	<u>256,311,200</u>	<u>859,361,729</u>
<b>LIABILITIES</b>			
Accounts payable	4,314,841	5,958,553	10,273,394
Payroll payable	1,779,121	103,199	1,882,320
Interest payable	309,934	15,906	325,840
Refundable deposits	259,682	86,030	345,712
Unearned revenue	975,058	296,265	1,271,323
Long-term liabilities:			
Due within one fiscal year	3,398,503	1,367,072	4,765,575
Due in more than one fiscal year	35,677,296	5,626,973	41,304,269
<b>Total liabilities</b>	<u>46,714,435</u>	<u>13,453,998</u>	<u>60,168,433</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	376,469,051	183,167,289	559,636,340
Restricted for:			
Debt service	101,161	814,068	915,229
Capital projects	32,196,200	-	32,196,200
Special projects	1,178,106	-	1,178,106
Community development	14,299,824	-	14,299,824
<b>Total restricted net assets</b>	<u>47,775,291</u>	<u>814,068</u>	<u>48,589,359</u>
Unrestricted net assets	132,091,752	58,875,845	190,967,597
<b>Total net assets</b>	<u>\$ 556,336,094</u>	<u>\$ 242,857,202</u>	<u>\$ 799,193,296</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Activities**  
**For the year ended June 30, 2006**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 10,142,529	\$ 488,237	\$ -	\$ -
Public safety	43,286,424	13,949,960	943,909	69,421
Planning and community development	7,376,026	3,194,674	1,844,002	-
Public works	26,053,044	3,634,892	2,424,836	5,699,878
Community activities	17,783,181	3,425,758	482,394	6,581,069
Interest on long-term debt	1,276,016	-	-	-
Total governmental activities	105,917,220	24,693,521	5,695,141	12,350,368
<b>Business-type activities:</b>				
Water	15,197,789	15,060,402	-	1,609,132
Sewer	11,457,129	10,947,581	-	1,223,263
Golf	2,810,105	2,671,290	-	2,845,622
Transit	518,813	38,740	-	-
Storm drain	1,288,566	353,976	-	1,881,891
Pleasanton Housing Authority	343,746	231,478	-	-
Total business-type activities	31,616,148	29,303,467	-	7,559,908
<b>Total primary government</b>	<b>\$ 137,533,368</b>	<b>\$ 53,996,988</b>	<b>\$ 5,695,141</b>	<b>\$ 19,910,276</b>

**General Revenues:**

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Equity interest in gain from joint ventures

Miscellaneous

**Interfund charges**

**Transfers**

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated (Note 14)

Net assets - end of year

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,654,292)	\$ -	\$ (9,654,292)
(28,323,134)	-	(28,323,134)
(2,337,350)	-	(2,337,350)
(14,293,438)	-	(14,293,438)
(7,293,960)	-	(7,293,960)
(1,276,016)	-	(1,276,016)
<u>(63,178,190)</u>	<u>-</u>	<u>(63,178,190)</u>
-	1,471,745	1,471,745
-	713,715	713,715
-	2,706,807	2,706,807
-	(480,073)	(480,073)
-	947,301	947,301
-	(112,268)	(112,268)
<u>-</u>	<u>5,247,227</u>	<u>5,247,227</u>
<u>(63,178,190)</u>	<u>5,247,227</u>	<u>(57,930,963)</u>
41,257,246	-	41,257,246
7,484,133	-	7,484,133
21,029,378	-	21,029,378
1,538,398	-	1,538,398
1,578,689	-	1,578,689
<u>72,887,844</u>	<u>-</u>	<u>72,887,844</u>
4,230,879	1,109,607	5,340,486
-	1,918,111	1,918,111
641,283	598,693	1,239,976
1,322,631	(1,322,631)	-
(4,361,507)	4,361,507	-
<u>74,721,130</u>	<u>6,665,287</u>	<u>81,386,417</u>
11,542,940	11,912,514	23,455,454
544,793,154	230,944,688	775,737,842
<u>\$ 556,336,094</u>	<u>\$ 242,857,202</u>	<u>\$ 799,193,296</u>

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2006**

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 20,968,201	\$ 11,555,029	\$ 1,478,232	\$ 70,539,630	\$ 104,541,092
Receivables (net):					
Accounts	6,091,943	1,328	6,409	2,126,970	8,226,650
Taxes	730,777	-	-	-	730,777
Grants	-	-	-	268,712	268,712
Interest	304,609	127,560	11,496	714,030	1,157,695
Due from other funds	276,326	-	-	-	276,326
Inventory	44,307	-	-	-	44,307
Restricted cash and investments	-	-	-	411,095	411,095
Notes receivable	11,539	6,470,153	-	-	6,481,692
<b>Total assets</b>	<b>\$ 28,427,702</b>	<b>\$ 18,154,070</b>	<b>\$ 1,496,137</b>	<b>\$ 74,060,437</b>	<b>\$ 122,138,346</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,820,046	\$ 12,996	\$ 860,082	\$ 897,796	\$ 3,590,920
Payroll payable	1,165,118	-	556,937	-	1,722,055
Due to other funds	-	-	-	276,326	276,326
Refundable deposits	-	2,189	-	257,493	259,682
Note Payable	-	-	-	-	-
Deferred revenue	921,621	5,652,695	-	53,436	6,627,752
<b>Total liabilities</b>	<b>3,906,785</b>	<b>5,667,880</b>	<b>1,417,019</b>	<b>1,485,051</b>	<b>12,476,735</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	560,957	-	-	-	560,957
Debt service	-	-	-	411,095	411,095
Inventory	44,307	-	-	-	44,307
Notes receivable	-	-	-	-	-
Unreserved, designated:					
General fund	23,915,653	-	-	-	23,915,653
Special revenue funds	-	12,486,190	79,118	9,321,599	21,886,907
Capital project funds	-	-	-	62,842,692	62,842,692
<b>Total fund balances</b>	<b>24,520,917</b>	<b>12,486,190</b>	<b>79,118</b>	<b>72,575,386</b>	<b>109,661,611</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,427,702</b>	<b>\$ 18,154,070</b>	<b>\$ 1,496,137</b>	<b>\$ 74,060,437</b>	<b>\$ 122,138,346</b>

See accompanying Notes to Basic Financial Statements.

# City of Pleasanton

## Reconciliation of the Governmental Funds Balance Sheet to the Government-W Statement of Net Assets - Governmental Activities

June 30, 2006

<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 109,661,611</b>
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$8,889,405.	<u>398,139,646</u>
Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.	<u>5,652,694</u>
Certain accounts receivables are not available to pay for current-period expenditures and therefore are not recognized as revenue in the fund financial statements.	<u>895,760</u>
Bond issuance costs are an expenditure in the governmental funds but are capitalized and amortized over the life of the bonds in the government-wide financial statements.	<u>851,006</u>
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 and liabilities are included in governmental activities in the statement of net assets.	<u>73,600,311</u>
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:	
2003 Certificates of Participation	(27,005,000)
2004 Certificates of Participation	(3,555,000)
Note payable to State	(1,595,000)
Accrued interest payable	<u>(309,934)</u>
Total long-term liabilities	<u>(32,464,934)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$ 556,336,094</b>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2006**

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>REVENUES:</b>					
Taxes	\$ 69,225,234	\$ -	\$ -	\$ -	\$ 69,225,234
Special assessments	-	-	-	215,035	215,035
Licenses	11,709	-	-	-	11,709
Permits	2,031,209	-	-	-	2,031,209
Fines and forfeitures	575,524	-	-	-	575,524
Use of money and property	637,787	458,455	21,428	1,648,798	2,766,468
Intergovernmental	2,042,800	-	149,056	3,979,587	6,171,443
Franchises	1,578,689	-	-	-	1,578,689
Charges for services	1,712,177	-	12,006,314	29,501	13,747,992
Development fees	283,674	900,649	-	2,500,932	3,685,255
Plan check fees	1,119,904	-	-	-	1,119,904
Reimbursements	585,423	74,906	33,917	1,092,176	1,786,422
Contributions and donations	5,912	15,000	11,342	3,384,972	3,417,226
Other revenues	2,742,998	-	5,119	771,952	3,520,069
Recreation charges	3,318,406	-	-	-	3,318,406
<b>Total revenues</b>	<b>85,871,446</b>	<b>1,449,010</b>	<b>12,227,176</b>	<b>13,622,953</b>	<b>113,170,585</b>
<b>EXPENDITURES:</b>					
Current:					
General government	10,279,430	-	-	-	10,279,430
Public safety	31,578,254	-	12,219,854	28,753	43,826,861
Planning and community development	3,468,613	3,200,919	-	891,066	7,560,598
Public works	15,262,520	-	-	151,267	15,413,787
Community activities	15,798,816	-	-	410,574	16,209,390
Capital outlay	558,650	-	15,903	7,911,481	8,486,034
Debt service:					
Principal	-	-	-	1,330,000	1,330,000
Interest, fiscal charges	-	-	-	1,239,890	1,239,890
<b>Total expenditures</b>	<b>76,946,283</b>	<b>3,200,919</b>	<b>12,235,757</b>	<b>11,963,031</b>	<b>104,345,990</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,925,163</b>	<b>(1,751,909)</b>	<b>(8,581)</b>	<b>1,659,922</b>	<b>8,824,595</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of loans	-	1,500,000	-	-	1,500,000
Issuance of notes payable	-	20,000	-	-	20,000
Transfers in	-	-	-	8,426,644	8,426,644
Transfers out	(7,027,411)	-	-	(4,841,000)	(11,868,411)
<b>Total other financing sources (uses)</b>	<b>(7,027,411)</b>	<b>1,520,000</b>	<b>-</b>	<b>3,585,644</b>	<b>(1,921,767)</b>
<b>Net change in fund balances</b>	<b>1,897,752</b>	<b>(231,909)</b>	<b>(8,581)</b>	<b>5,245,566</b>	<b>6,902,828</b>
<b>FUND BALANCES:</b>					
Beginning of year	22,623,165	12,718,099	87,699	67,329,820	102,758,783
End of year	\$ 24,520,917	\$ 12,486,190	\$ 79,118	\$ 72,575,386	\$ 109,661,611

See accompanying Notes to Basic Financial Statements.

# 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 For the year ended June 30, 2006

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 6,902,828</b>
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:	
Governmental funds report acquisition of capital assets as part of capital outlay as 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 (net of internal service funds of \$1,149,412).	6,668,178
Depreciation (net of internal service funds of \$1,452,130).	(9,813,780)
In the Statement of Activities, capital assets donated to the City are reported as program revenue, whereas in the governmental funds, capital assets donated do not increase financial resources. Thus, the change in net assets differs from the change in fund balances by the value of the asset donated.	
	4,836,949
In the Statement of Activities, capital assets donated to the business type activities are reported as transfers out, whereas in the governmental funds, capital assets donated do not decrease financial resources. Thus, the change in net assets differs from the change in fund balances by the value of the asset donated.	
	(3,926,437)
In the Statement of Activities, only the gain (loss) on the sale or disposal of capital assets is reported and allocated to the various program revenues and expenses, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the asset sold.	
	(3,520,989)
Loans receivable are not considered available revenue and are deferred in the governmental funds. However, those loans are considered earned and recognized as revenue in the government-wide statement of activities. This amount represents current year's activities.	
	2,733,174
Certain accounts receivable are not considered available revenue and therefore are not recognized in the governmental funds. However, those accounts are considered earned and recognized as revenue in the government-wide statement of activities.	
	895,760
Bonds issuance cost are expensed on the fund statements. However, in the government-wide statement of activities, the bonds issuance cost are allocated over the life of the bonds. This amount represent the current year amortization of the bond issuance cost.	
	(49,303)
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. Accrued interest payable increased by this amount.	
	13,177
Issuance of long-term debt is other financing sources in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Assets.	
	(1,520,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Principal repayments:	
2004 Certificates of Participation	845,000
2003 Certificates of Participation	485,000
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.	
	6,993,383
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 11,542,940</b>

See accompanying Notes to Basic Financial Statements.

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**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2006**

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Golf	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 26,312,612	\$ 11,408,317	\$ 5,570,811	\$ 1,500,838	\$ 44,792,578	\$ 72,600,473
Receivables (net):						
Accounts	3,190,711	1,039,924	-	3,989	4,234,624	344
Interest	293,723	136,639	55,877	13,414	499,653	776,796
Inventory and prepaid items	-	-	106,635	-	106,635	-
Restricted cash and investments	365,547	448,521	-	-	814,068	-
Total current assets	30,162,593	13,033,401	5,733,323	1,518,241	50,447,558	73,377,613
Noncurrent assets:						
Long-term receivable	130,408	-	-	-	130,408	-
Bond issuance costs, net of accumulated amortization	65,912	143,375	-	-	209,287	-
Net investment in joint ventures	-	14,397,692	-	-	14,397,692	-
Advances to other funds	473,000	-	-	-	473,000	-
Capital assets:						
Nondepreciable	4,064,040	1,015,435	7,550,967	331,753	12,962,195	295,055
Depreciable, net	61,339,035	61,771,488	31,882,587	22,206,029	177,199,139	8,594,350
Total noncurrent assets	66,072,395	77,327,990	39,433,554	22,537,782	205,371,721	8,889,405
<b>Total assets</b>	<b>96,234,988</b>	<b>90,361,391</b>	<b>45,166,877</b>	<b>24,056,023</b>	<b>255,819,279</b>	<b>82,267,018</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	2,347,155	1,269,053	2,322,619	19,726	5,958,553	723,921
Payroll payable	65,458	28,125	-	9,616	103,199	57,066
Interest payable	-	-	-	15,906	15,906	-
Refundable deposits	-	-	75,095	10,935	86,030	-
Deferred revenue	72,219	-	69,929	154,117	296,265	-
Accrued compensated absences	-	-	-	-	-	624,994
Claims payable	-	-	-	-	-	1,428,509
Capital leases payable - due within one year	-	-	134,777	-	134,777	-
Notes payable - due within one year	-	-	-	42,295	42,295	-
Bonds payable - due within one year	645,000	545,000	-	-	1,190,000	-
Total current liabilities	3,129,832	1,842,178	2,602,420	252,595	7,827,025	2,834,490
Noncurrent liabilities:						
Accrued compensated absences - due in more than one year	-	-	-	-	-	3,561,291
Claims payable - due in more than one year	-	-	-	-	-	1,306,005
Capital leases payable - due in more than one year	-	-	432,769	-	432,769	-
Notes payable - due in more than one year	-	-	-	319,204	319,204	-
Bonds payable - due in more than one year	2,300,000	2,575,000	-	-	4,875,000	-
Advances from other funds	-	-	473,000	-	473,000	-
Total noncurrent liabilities	2,300,000	2,575,000	905,769	319,204	6,099,973	4,867,296
<b>Total liabilities</b>	<b>5,429,832</b>	<b>4,417,178</b>	<b>3,508,189</b>	<b>571,799</b>	<b>13,926,998</b>	<b>7,701,786</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	62,458,075	59,666,923	38,866,008	22,176,283	183,167,289	8,889,405
Restricted for:						
Debt service	365,547	448,521	-	-	814,068	-
Unrestricted	27,981,534	25,828,769	2,792,680	1,307,941	57,910,924	65,675,827
<b>Total net assets</b>	<b>\$ 90,805,156</b>	<b>\$ 85,944,213</b>	<b>\$ 41,658,688</b>	<b>\$ 23,484,224</b>	<b>241,892,281</b>	<b>\$ 74,565,232</b>

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

	964,921
Net assets of business-type activities	<u>\$ 242,857,202</u>

See accompanying Notes to Basic Financial Statements.



**City of Pleasanton**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2006**

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Golf	Other	Total	Internal
				Non-major Enterprise Funds		
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 16,105,757	\$ 10,914,081	\$ 2,671,290	\$ 766,670	\$ 30,457,798	\$ 30,128,414
Connection fees	245,220	133,196	-	-	378,416	-
Miscellaneous	10,991	425	-	587,277	598,693	148,767
<b>Total operating revenues</b>	<b>16,361,968</b>	<b>11,047,702</b>	<b>2,671,290</b>	<b>1,353,947</b>	<b>31,434,907</b>	<b>30,277,181</b>
<b>OPERATING EXPENSES:</b>						
Personnel services	2,334,582	1,145,231	836,035	975,383	5,291,231	21,127,735
Transportation	70,233	46,148	-	-	116,381	-
Repairs and maintenance	122,904	62,460	256,911	72,991	515,266	-
Materials, supplies, and services	11,418,900	8,573,863	701,464	478,526	21,172,753	5,232,388
Amortization	8,065	34,054	-	-	42,119	-
Depreciation	2,541,514	2,551,584	1,259,024	865,422	7,217,544	1,452,130
<b>Total operating expenses</b>	<b>16,496,198</b>	<b>12,413,340</b>	<b>3,053,434</b>	<b>2,392,322</b>	<b>34,355,294</b>	<b>27,812,253</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(134,230)</b>	<b>(1,365,638)</b>	<b>(382,144)</b>	<b>(1,038,375)</b>	<b>(2,920,387)</b>	<b>2,464,928</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Interest income	659,320	306,481	110,617	33,189	1,109,607	1,672,170
Interest expense	(77,706)	(102,472)	(22,036)	(22,182)	(224,396)	-
Equity interest in gain from joint ventures	-	1,918,111	-	-	1,918,111	-
Gain (loss) from sale of capital assets	(6,269)	(25,725)	-	-	(31,994)	(10,254)
<b>Total nonoperating revenues (expenses)</b>	<b>575,345</b>	<b>2,096,395</b>	<b>88,581</b>	<b>11,007</b>	<b>2,771,328</b>	<b>1,661,916</b>
<b>Net income (loss) before contributions and transfers</b>	<b>441,115</b>	<b>730,757</b>	<b>(293,563)</b>	<b>(1,027,368)</b>	<b>(149,059)</b>	<b>4,126,844</b>
Capital contributions	2,349,698	2,820,637	2,845,622	3,470,388	11,486,345	-
Transfers in	195,000	-	1,600,000	427,411	2,222,411	3,006,697
Transfers out	-	(195,000)	(1,592,341)	-	(1,787,341)	-
<b>Change in net assets</b>	<b>2,985,813</b>	<b>3,356,394</b>	<b>2,559,718</b>	<b>2,870,431</b>	<b>11,772,356</b>	<b>7,133,541</b>
<b>NET ASSETS:</b>						
Beginning of year, as restated	87,819,343	82,587,819	39,098,970	20,613,793		67,431,691
End of year	<u>\$ 90,805,156</u>	<u>\$ 85,944,213</u>	<u>\$ 41,658,688</u>	<u>\$ 23,484,224</u>		<u>\$ 74,565,232</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

	140,158
Change in net assets of business-type activities	<u>\$ 11,912,514</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2006**

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Golf	Other	Total	Activities
				Non-major Enterprise Funds		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash receipt from customers	\$ 16,074,247	\$ 11,030,573	\$ 2,746,385	\$ 610,184	\$ 30,461,389	\$ 30,144,364
Cash receipt from other funds			-	-	-	-
Cash payment to suppliers for goods and services	(11,066,851)	(8,800,478)	916,920	(550,418)	(19,500,827)	(4,430,727)
Cash payment to employees for services	(2,322,262)	(1,142,097)	(836,035)	(974,256)	(5,274,650)	(20,786,717)
Miscellaneous revenue	20,366	425	-	587,277	608,068	148,767
<b>Net cash provided (used) by operating activities</b>	<b>2,705,500</b>	<b>1,088,423</b>	<b>2,827,270</b>	<b>(327,213)</b>	<b>6,293,980</b>	<b>5,075,687</b>
<b>CASH FLOWS FROM NONOPERATING ACTIVITIES:</b>						
Transfer in	195,000	-	1,600,000	427,411	2,222,411	-
Transfer out	-	(195,000)	(1,592,341)	-	(1,787,341)	3,006,697
<b>Net cash provided (used) by operating activities</b>	<b>195,000</b>	<b>(195,000)</b>	<b>7,659</b>	<b>427,411</b>	<b>435,070</b>	<b>3,006,697</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Principal payments on long-term debt	(650,000)	(540,000)	(130,299)	(39,675)	(1,359,974)	-
Interest payments	(77,706)	(102,472)	(22,036)	(26,738)	(228,952)	-
Net change in capital assets	(1,277,744)	(332,493)	(1,464,542)	(384,548)	(3,459,327)	(1,069,575)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(2,005,450)</b>	<b>(974,965)</b>	<b>(1,616,877)</b>	<b>(450,961)</b>	<b>(5,048,253)</b>	<b>(1,069,575)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received	614,604	289,229	86,312	33,963	1,024,108	1,510,532
<b>Net cash provided (used) by investing activities</b>	<b>614,604</b>	<b>289,229</b>	<b>86,312</b>	<b>33,963</b>	<b>1,024,108</b>	<b>1,510,532</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,509,654</b>	<b>207,687</b>	<b>1,304,364</b>	<b>(316,800)</b>	<b>2,704,905</b>	<b>8,523,341</b>
<b>CASH AND CASH EQUIVALENTS:</b>						
Beginning of year	25,168,505	11,649,151	4,266,447	1,817,638	42,901,741	64,077,132
End of year	\$ 26,678,159	\$ 11,856,838	\$ 5,570,811	\$ 1,500,838	\$ 45,606,646	\$ 72,600,473
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (134,230)	\$ (1,365,638)	\$ (382,144)	\$ (1,038,375)	\$ (2,920,387)	\$ 2,464,928
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	2,549,579	2,585,638	1,259,024	865,422	7,259,663	1,452,130
Decrease (increase) in:						
Accounts receivable	(276,730)	(16,704)	-	471	730,257	15,950
Inventories and prepaid items	-	-	(106,635)	-	-	-
Increase (decrease) in:						
Accounts payable	545,186	(118,007)	1,912,001	1,099	2,340,279	182,946
Accrued payroll	12,320	3,134	-	1,127	16,581	53,240
Deferred revenue	9,375	-	69,929	(156,851)	(77,547)	-
Refundable deposits	-	-	75,095	(106)	74,989	-
Accrued benefits payable	-	-	-	-	-	287,778
Claims payable	-	-	-	-	-	618,715
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,705,500</b>	<b>\$ 1,088,423</b>	<b>\$ 2,827,270</b>	<b>\$ (327,213)</b>	<b>\$ 7,423,835</b>	<b>\$ 5,075,687</b>

See accompanying Notes to Basic Financial Statements.

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the year ended June 30, 2006**

	Private-Purpose	
	Trust	Agency
<b>ASSETS</b>		
Cash and investments	\$ 511,873	\$ 17,427,538
Receivables (net):		
Accounts	2,543	346,367
Interest	5,651	1,668,563
Restricted cash and investments	-	3,852,217
Notes receivable	-	1,683,867
<b>Total assets</b>	<b>520,067</b>	<b>\$ 24,978,552</b>
<b>LIABILITIES</b>		
Accounts payable	318	\$ 976,840
Due to bondholders	-	22,770,753
Deposits	-	1,230,959
<b>Total liabilities</b>	<b>318</b>	<b>\$ 24,978,552</b>
<b>NET ASSETS</b>		
Net assets	<b>\$ 519,749</b>	

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Changes in Fiduciary Net Assets**  
**Private-Purpose Trust Fund Fiduciary Funds**  
**For the Year Ended June 30, 2006**

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**ADDITIONS:**

Investment income	\$ 12,822
Miscellaneous	<u>(5,233)</u>
<b>Total additions</b>	<u>7,589</u>

**DEDUCTIONS:**

Public works	<u>23,737</u>
<b>Changes in net assets</b>	<u>(16,148)</u>

**NET ASSETS:**

Beginning of year	<u>535,897</u>
End of year	<u>\$ 519,749</u>

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**City of Pleasanton**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2006**

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**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2006**

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**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 more 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, public works, water, sewer, economic development, parks and recreation, planning and community development, general administration, library and golf.

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:

Pleasanton Joint Powers Financing Authority (Authority) - The Authority was established on June 29, 1993, for the purpose of providing assistance to the City and the Housing Authority of the City in refinancing public capital improvements, including but not limited to refunding the 1915 Act improvement bonds previously issued by the City. The City exercises significant financial and management control over the Authority and members of the board of directors are appointed by the City Council.

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 provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford, making the most effective and economical possible use of its resources. The City exercises significant financial and management control over the Authority and members of the board of directors are appointed by the City Council.

**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, liabilities, fund equity, 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, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*B. Basis of Accounting and Measurement Focus, Continued*

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. 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 and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. 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 Assets 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 Assets, 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

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statement and Interpretations issued after November 30, 1989 except those that conflict with or contradict GASB pronouncements.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*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 assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

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 and current liabilities 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 for that revenues subject to accrual (generally 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.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the Combined Balance Sheet and recognized as revenue.

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.

*Proprietary Fund Financial Statements*

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

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.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Proprietary Fund Financial Statements, Continued*

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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.

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The City's fiduciary funds represent agency funds and a private purpose trust fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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 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, planning and community development, public works and community activities.

The *Lower Income Housing Fund* - is used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

The *Livermore/Pleasanton Fire Department (Livermore Share Only)* - is used to account for the City of Livermore's share of the consolidated fire department's revenue and expenditures.

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 expenses incurred related to the planning, design and construction of a golf course facility as well as the operation and maintenance of the facility.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Fiduciary Fund Financial Statements, Continued*

The City reports the following additional fund types:

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

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 *Agency Funds* - account for assets held by the City as an agent for various local government agencies, insurance companies, developers and bond trustees.

***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. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 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 as to change in interest rates.

***D. Restricted Cash and Investments***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

***E. Receivables***

During the course of normal operations, the City carries various receivable balances for taxes, interest, services, utilities and special assessments. Accounts receivables are shown net of an allowance for doubtful accounts of \$6,950 in the Water Fund and \$3,746 in the Sewer Fund.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Inventory**

General Fund inventory consists of gasoline for use by the City's vehicles. Gasoline is measured at year-end and the inventory value is based on the cost per gallon of the most recent purchase. The cost of this inventory is recorded as expenditure when consumed.

**G. 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 a deferred revenue account. For the purposes of the government-wide financial statements, long-term loans are not offset by deferred revenue accounts.

**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 offset by a fund balance reserve account in 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 governmental-wide financial statements as "internal balances."

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. 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, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000 and all streetlights and traffic signals are included. Donated capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure in the current Basic Financial Statements.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*I. Capital Assets, Continued*

Capital assets that meet the definition of the 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.

*J. Compensated Absences*

Accumulated unpaid vacation and compensatory time is accrued in the Employee Benefit 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 has determined that it has no accrued liability to report at June 30, 2006, as a result of its sick leave policy. The City accrues accumulated unpaid compensated absences when earned by the employee.

*K. 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, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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 financial 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.

*L. Interest Payable*

In the government-wide financial statements, interest payable of long-term debt is recognized as 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.

*M. 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**N. Net Assets / Fund Balance Restatements**

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

**O. Fund Balances - Reserves and Designations**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**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 and liabilities 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. Implementation of New GASB Pronouncements**

In 2006, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statement:

- GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* - The Statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries.
- Statement No. 44, *Economic Condition Reporting: The Statistical Section (Amendment of NCGA Statement 1)* - The Statement establishes the objectives of the statistical section and the five categories of information it contains: financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Q. Implementation of New GASB Pronouncements, Continued*

- GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation* – The Statement addresses selected issues and amends GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The Statement enhances the usefulness and comparability of net asset information and clarifies the meaning of legal enforceability. The Statement also specifies accounting and financial reporting requirements for restricted net assets.
- GASB Statement No. 47, *Accounting for Termination Benefits* – The Statement provides accounting guidance for state and local governmental employers regarding benefits (such as early-retirement incentives and severance benefits) provided to employees that are terminated. The Statement requires recognition of the cost of involuntary termination benefits in the period in which a government becomes obligated to provide benefits to terminated employees.

**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, except certain construction and bond reserve funds held by the City.

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent at June 30, 2006:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 177,141,565	\$ 44,792,578	\$ 17,939,411	\$ 239,873,554
Restricted cash and investments	411,095	814,068	3,852,217	5,077,380
<b>Total</b>	<b>\$ 177,552,660</b>	<b>\$ 45,606,646</b>	<b>\$ 21,791,628</b>	<b>\$ 244,950,934</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**2. CASH AND INVESTMENTS, Continued**

At June 30, 2006 the City's pooled cash and investments, including restricted funds consisted of the following:

	<u>Fair Value</u>
	<u>June 30, 2006</u>
<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 3,525
Deposits with banks	(1,132,703)
Certificates of deposits	<u>202,815</u>
Total deposits	<u>(926,363)</u>
Investments:	
U.S. government securities	100,396,417
U.S. government agencies	93,933,138
Money market	5,010,714
California Local Agency Investment Fund	<u>41,459,648</u>
Total investments	<u>240,799,917</u>
<b>Total City Treasury</b>	<u>239,873,554</u>
<b>Cash with Fiscal Agent</b>	<u>5,077,380</u>
<b>Total City and fiscal agent cash and investments</b>	<u>\$ 244,950,934</u>

**A. Deposits**

At June 30, 2006, the carrying amount of the City's cash deposits had a negative balance of \$1,129,178 and the bank balance was \$1,631,132. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$421,574 was covered by federal depository insurance, and \$1,209,558 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**2. CASH AND INVESTMENTS, Continued**

**B. Investments**

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

- Bankers' 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

Included in restricted cash and investments at June 30, 2006, was \$5,077,380 held by the trustees or fiscal agents. These funds may only be used for the payment of certain bonds and certificates of participation and have been invested only as permitted by specific state statutes or applicable City ordinances, resolutions, or bond indentures.

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 market 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 value at the fiscal year ended June 30, 2006 from the fiscal year ended June 30, 2005, amounted to an unrealized decrease of \$1,648,424.

**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, 2006, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 2
U.S. Government securities	\$100,396,417	\$53,276,464	\$47,119,954
U.S. Government agencies	93,933,138	46,480,865	47,452,273
California Local Agency Investment Fund	41,459,648	41,459,648	-
Money market	5,010,714	5,010,714	-
Total	\$240,799,917	\$146,227,690	\$94,572,227

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**2. CASH AND INVESTMENTS, Continued**

**D. Credit Risk**

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's and Moody's Investor's Service. At June 30, 2006, the City's credit risks, expressed on a percentage basis, were as follows:

The City's investments are rated by the nationally recognized statistical rating organizations as follows:

	Moody's	Standard & Poor's
<b>U.S. Agencies</b>		
Federal Farm Credit Bank	Aaa	AAA
Federal Home Loan Bank	Aaa	AAA
Federal Home Loan Mortgage Corporation	Aaa	AAA
Federal National Mortgage Association	Aaa	AAA
<b>U.S. Treasury Money Market Funds</b>		
Fidelity - Treasury Only	Aaa	AAA
<b>External Pool</b>		
State of California - Local Agency Investment Fund	Not Rated	Not Rated

*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% 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 (State of California - Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

The following is a chart of investments not guaranteed by U.S. Government that represents five (5) percent or more of the total investments:

<u>U.S. Agencies</u>	Amount Invested	Percentage of Investments
Federal Home Loan Bank	\$36,860,327.00	15.31%
Federal Home Loan Mortgage Corporation	23,556,929.00	9.78%
Federal Farm Credit Bank	6,917,498.00	2.87%
Federal National Mortgage Association	26,598,384.00	11.05%
	<u>\$93,933,138.00</u>	<u>39.01%</u>
<u>Fidelity - Treasury Only Mutual Fund</u>	\$ 5,010,713.92	2.08%

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**2. CASH AND INVESTMENTS, Continued**

*E. External Investment Pool*

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

The City's investments with LAIF at June 30, 2006 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend 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.

As of June 30 2006, the City had \$41,459,648 invested in LAIF, which had invested 2.567% of the pool investment funds in Structured Notes and Asset-Backed Securities. Fair value of LAIF was calculated by applying a factor of 0.998185821 to total investments held by LAIF.

Derivatives

During the year, the City held structured notes. 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. 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, 2006, the City held \$4,953,858 in callable securities, which amounted to approximately 2.06% of investments at June 30, 2006.

**3. NOTES RECEIVABLE**

The following table summarizes the notes receivable outstanding as of June 30, 2006:

	Government-Wide Statement of Net Assets Governmental Activities	Fiduciary Funds Statement of Net Assets	Total
Revolving Home Loans	\$ 6,470,153	\$ -	\$ 6,470,153
Sewer Loans	11,539	-	11,539
City of Dublin Loan	-	1,683,867	1,683,867
<b>Total</b>	<b>\$ 6,481,692</b>	<b>\$ 1,683,867</b>	<b>\$ 8,165,559</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**3. NOTES RECEIVABLE, Continued**

Revolving Home Loans - As part of the City of Pleasanton Homeownership Assistance Program developed by the City to provide affordable housing opportunities for households of moderate income, loans are given to moderate income homebuyers for second mortgages. Monthly payments of principal and interest are waived until five years after the date of the note for most of these loans. The outstanding amount due to the City as of June 30, 2006 was \$6,470,153.

Sewer Loans - Loans are granted to restaurant owners to finance sewer connection fees. The Dublin San Ramon Services District sewer connection fee for restaurants is substantially higher than for most other commercial and retail uses. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. Since the program's inception, there have been no defaults in these loan payments. Therefore, in 1997 the City expanded the loan program for restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2006 was \$11,539.

City of Dublin Loan - On March 11, 1991, the City entered into an agreement with the City of Dublin to construct a two lane access road and an extension that leads to Interstate 580. The City paid for the design and construction costs of the infrastructure. The City of Dublin agreed to reimburse the City in an amount equal to the costs of construction. The reimbursement would be solely from the proceeds of assessments, special taxes, and fees imposed by City of Dublin. The outstanding amount as of June 30, 2006 was \$1,683,867.

**4. INTERFUND TRANSACTIONS**

**A. Interfund Receivables / Payables**

The composition of interfund balances as of June 30, 2006, is as follows:

Due to/from Other Funds

The General Fund provides cash flow assistance to various grant funds. As of June 30, 2006, balances of due to/from other funds were as follows:

	Due from other funds
Due to other funds	General Fund
Non-major Governmental Funds	\$ 276,326
Total	\$ 276,326

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**4. INTERFUND TRANSACTIONS, Continued**

**A. Interfund Receivables/Payables, Continued**

Transfers In/Out

Transfers between funds are primarily used to provide funding for the Capital Improvement Program. The General Fund transferred \$5,000,000 to non-major governmental funds as it's annual contribution to fund miscellaneous and parks capital improvement projects. The General Fund also transferred \$1,600,000 to the Golf course enterprise to cover the Golf course enterprise's \$1,592,389 transfer to a non-major governmental fund for debt service. \$952,389 was transferred between non-major governmental funds for debt service payments. \$871,914 was transferred between non-major governmental funds for various capital improvement projects. \$3,006,697 was transferred from a non-major governmental fund to an internal service fund as part of a change of accounting for park renovation projects.

Transfers in/out for the year ended June 30, 2006, were as follows:

		Transfers In					
		Major Fund					
		Non-Major Governmental Fund	Water Enterprise Funds	Golf Course Enterprise Fund	Non-major Enterprise Funds	Internal Service	Total
Transfers Out	General Fund	\$ 5,000,000	\$ -	\$ 1,600,000	\$ 427,411	\$ -	\$ 7,027,411
	Non-major:						
	Governmental Funds	1,834,303	-	-	-	3,006,697	4,841,000
	Sewer Enterprise	-	195,000	-	-	-	195,000
	Golf Course Enterprise	1,592,341	-	-	-	-	1,592,341
	<b>Total</b>	<b>\$ 8,426,644</b>	<b>\$ 195,000</b>	<b>\$ 1,600,000</b>	<b>\$ 427,411</b>	<b>\$ 3,006,697</b>	<b>\$ 13,655,752</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balance 6/30/05	Additions	Retirements	Transfers	Balance 6/30/06
<b>Governmental activities:</b>					
Nondepreciable assets:					
Land	\$ 204,974,393	\$ 503,444	\$ -	\$ 2,042,036	\$ 207,519,873
Construction in progress	20,094,296	5,743,104	(2,834,673)	(15,800,153)	7,202,574
Total nondepreciable assets	225,068,689	6,246,548	(2,834,673)	(13,758,117)	214,722,447
Depreciable assets:					
Infrastructure	233,209,498	5,047,324	(656,612)	6,524,378	244,124,588
Accumulated depreciation	(109,937,511)	(6,611,300)	-	-	(116,548,811)
Buildings	48,613,963	5,321	-	4,104,602	52,723,886
Accumulated depreciation	(11,133,240)	(1,039,712)	-	-	(12,172,952)
Improvements other than buildings	36,894,527	37,301	-	75,000	37,006,828
Accumulated depreciation	(20,135,759)	(1,450,813)	-	-	(21,586,572)
Machinery and equipment	17,445,495	808,991	(134,781)	25,000	18,144,705
Accumulated depreciation	(11,340,410)	(1,339,914)	113,127	-	(12,567,197)
Vehicles	9,422,919	509,054	(622,718)	-	9,309,255
Accumulated depreciation	(5,827,532)	(824,171)	524,577	-	(6,127,126)
Net depreciable assets	187,211,950	(4,857,919)	(776,407)	10,728,980	192,306,604
<b>Governmental activities capital assets, net</b>	<b>\$ 412,280,639</b>	<b>\$ 1,388,629</b>	<b>\$ (3,611,080)</b>	<b>\$ (3,029,137)</b>	<b>\$ 407,029,051</b>
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	\$ 9,157,945	\$ -	\$ (3,507)	\$ -	\$ 9,154,438
Construction in progress	36,908,884	2,589,632	(2,550)	(35,688,209)	3,807,757
Total nondepreciable assets	46,066,829	2,589,632	(6,057)	(35,688,209)	12,962,195
Depreciable assets:					
Infrastructure	214,851,123	4,950,231	(25,725)	9,827,325	229,602,954
Accumulated depreciation	(89,743,178)	(5,401,233)	-	-	(95,144,411)
Buildings	12,974,905	207,813	-	2,860,359	16,043,077
Accumulated depreciation	(4,737,226)	(339,552)	-	-	(5,076,778)
Improvements other than buildings	1,343,574	2,948,149	-	26,005,872	30,297,595
Accumulated depreciation	(587,191)	(1,186,039)	-	-	(1,773,230)
Machinery and equipment	6,428,219	325,962	(101,028)	23,790	6,676,943
Accumulated depreciation	(3,276,146)	(269,960)	98,266	-	(3,447,840)
Vehicles	344,185	-	-	-	344,185
Accumulated depreciation	(302,596)	(20,760)	-	-	(323,356)
Net depreciable assets	137,295,669	1,214,611	(28,487)	38,717,346	177,199,139
<b>Business-type activities capital assets, net</b>	<b>\$ 183,362,498</b>	<b>\$ 3,804,243</b>	<b>\$ (34,544)</b>	<b>\$ 3,029,137</b>	<b>\$ 190,161,334</b>



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**5. CAPITAL ASSETS, Continued**

**A. Depreciation**

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 176,831
Public safety	1,173,654
Planning and community development	7,186
Public works	7,461,965
Community activities	2,446,274
<b>Total depreciation expense - governmental functions</b>	<b>\$ 11,265,910</b>

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

Water	\$ 2,541,514
Sewer	2,551,584
Golf	1,259,024
Transit	13,508
Storm drain	775,609
Housing Authority	76,305
<b>Total depreciation expense - business-type functions</b>	<b>\$ 7,217,544</b>

**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2006:

	Balance		Balance		Amounts	Amounts
	July 1, 2005	Additions	Deletions	June 30, 2006	Due Within One Year	Due in More than One Year
<b>Governmental Activities:</b>						
2003 Certificates of Participation	\$ 27,850,000	\$ -	\$ (845,000)	\$ 27,005,000	\$ 875,000	\$ 26,130,000
2004 Refunding Lease Certificates of Participation	4,040,000	-	(485,000)	3,555,000	470,000	3,085,000
CALHFA Help Loan	-	1,500,000	-	1,500,000	-	1,500,000
State CALHFA Help Program note payable	75,000	20,000	-	95,000	-	95,000
Claims payable (Note 7)	2,115,799	2,047,224	(1,428,509)	2,734,514	1,428,509	1,306,005
Compensated absences (Note 8)	3,898,508	884,553	(596,776)	4,186,285	624,994	3,561,291
<b>Total governmental activities</b>	<b>\$ 37,979,307</b>	<b>\$ 4,451,777</b>	<b>\$ (3,355,285)</b>	<b>\$ 39,075,799</b>	<b>\$ 3,398,503</b>	<b>\$ 35,677,296</b>
<b>Business-type Activities:</b>						
Note payable, Federal Financing Bank	\$ 401,173	\$ -	\$ (39,674)	\$ 361,499	\$ 42,295	\$ 319,204
Golf Course Capital Lease	697,845	-	(130,299)	567,546	134,777	432,769
2002 Sewer Revenue Refunding Bonds	1,900,000	-	(345,000)	1,555,000	360,000	1,195,000
2004 Water Revenue Refunding Bonds	3,595,000	-	(650,000)	2,945,000	645,000	2,300,000
2004 Sewer Revenue Refunding Bonds	1,760,000	-	(195,000)	1,565,000	185,000	1,380,000
<b>Total business-type activities</b>	<b>\$ 8,302,968</b>	<b>\$ -</b>	<b>\$ (1,359,973)</b>	<b>\$ 6,994,045</b>	<b>\$ 1,367,072</b>	<b>\$ 5,626,973</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**6. LONG-TERM LIABILITIES, Continued**

Long-term debt at June 30, 2006, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2006
<b>Governmental Activities:</b>					
2003 Certificates of Participation	2032	3 - 4.75%	\$265 - \$1,530	\$ 28,425,000	\$ 27,005,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$330 - \$490	4,040,000	3,555,000
CALHFA Help Loan	2015	3.0%	-	1,500,000	1,500,000
State CALHFA Help Program note payable	2015	3.0%	\$6 - \$8	95,000	95,000
<b>Total governmental activities</b>					<b>\$ 32,155,000</b>
<b>Business-type Activities:</b>					
Note payable, Federal Financing Bank	2017	6.6%	\$66 - \$66	882,636	\$ 361,499
Golf Course Capital Lease	2010	3.39%	\$130 - \$149	697,845	567,546
2002 Sewer Revenue Refunding Bonds	2009	2 - 3.75%	\$260 - \$420	2,820,000	1,555,000
2004 Water Revenue Refunding Bonds	2014	2 - 3.5%	\$150 - \$670	3,595,000	2,945,000
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$155 - \$195	1,760,000	1,565,000
<b>Total business-type activities</b>					<b>\$ 6,994,045</b>

2003 - Certificates of Participation

On April 1, 2003, the City issued Certificates of Participation in the amount of \$28,425,000. The proceeds were used to provide funds for the acquisition and construction of a golf course and to refinance the City's obligations relating to certain 1991 Certificates of Participation of the City. The certificates bear an interest rate range from 3.0% to 4.75% and are payable semiannually on April 1 and October 1. Principal payments are payable annually on each October 1 through 2032. These certificates are obligated to be repaid from the City's general fund or any other source of funds legally available.

2004 - Refunding Lease Certificates of Participation

On December 1, 2004, the City issued Refunding Lease Certificates of Participation in the amount of \$4,040,000. The proceeds were used to refinance in part the City's obligations relating to certain Refunding Lease Revenue Bonds, 1994 Series B of the Authority, to fund a Reserve Fund for the Certificates, and to pay certain costs of issuing the Certificates. The certificates bear an interest rate range from 2.1% to 3.4% and are payable semiannually on March 1 and September 1. Principal payments are payable annually on each September 1 through 2014. These certificates are obligated to be repaid from the City's general fund or any source of funds legally available.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**6. LONG-TERM LIABILITIES, Continued**

*CALHFA Help Loan*

On September 8, 2005, the City has entered into a loan agreement with CalHFA for a maximum of \$1,500,000 for the purpose of operating a local housing program. The loan bears an interest of 3% simple per annum and is due in full by September 7, 2015. Annual payments to CalHFA are not required. The City has loaned the full \$1,500,000 to BLP Partnership, Inc. BLP is required to use project surplus cash to make annual loan payments to the City commencing one year after issuance of certificate of occupancy. The loan payment is equal to 75% of surplus cash. In the event BLP payments are insufficient to repay the full loan amount by September 7, 2015, the City's Lower Income Housing Fund will be used to make any outstanding loan payments to CalHFA. However, BLP is obligated to repay the full amount of the loan within 35 years from September 26, 2005.

*State CALHFA Help Program note payable*

On June 26, 2003, the State of California approved the City's application for a maximum of \$450,000 assistance for the City's down payment assistance program for low and moderate-income homebuyers. This program will assist first-time homebuyers with second mortgages offered at below-market interest rates. As the homebuyers repay the City, the City then repays the State. The loans to homebuyers are 10 year loans with an interest rate of 3%. As of June 30, 2006, \$95,000 in second mortgages were outstanding.

*Note Payable*

The Housing Authority issued a note payable to the Federal Financing Bank to finance Kottinger Place, a housing project. Payments of \$66,153 including interest at 6.6% are due annually on November 1, through 2012. The mortgage is to be repaid from grants from the U.S. Department of Housing and Urban Development.

*Golf Course Capital Lease*

On May 15, 2006, the City signed a lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment is \$697,845. The City will make quarterly payments of \$38,084 over a lease period of 60 months; the lease rate is 3.39%. At the end of the term, the City will purchase all of the equipment for \$1. Revenues of the golf course are expected to pay for the equipment lease payments, but the General Fund has provided the pledge for repayment.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**6. LONG-TERM LIABILITIES, Continued**

2002 Sewer Revenue Refunding Bonds

On May 21, 2002, the City issued \$2,820,000 of the Series 2002 Sewer Revenue Refunding Bonds. The 2002 Sewer Revenue Refunding Bonds were issued to refund the outstanding 1989 Certificates of Participation, which financed the cross-town sanitary sewer project. The refunding resulted in net present value savings of \$425,674. The 2002 Sewer Revenue Refunding Bonds provide for the principal, call premium and accrued interest. The bonds bear an interest rate range from 2.0% to 3.75% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2009. These bonds are to be repaid from net revenues of the sewer enterprise.

2004 Water Revenue Refunding Bonds

On December 1, 2004, the City issued \$3,595,000 of the Series 2004 Water Revenue Refunding Bonds. The 2004 Water Revenue Refunding Bonds were issued to refund a portion of the City's obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the water system.

2004 Sewer Revenue Refunding Bonds

On December 1, 2004, the City issued \$1,760,000 of the Series 2004 Sewer Revenue Refunding Bonds. The 2004 Sewer Revenue Refunding Bonds were issued to refund a portion of the City's obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the sewer enterprise.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**6. LONG-TERM LIABILITIES, Continued**

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2006:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
	2007	\$ 875,000	\$ 1,128,440	\$ 470,000
2008	905,000	1,102,190	480,000	78,773
2009	935,000	1,075,040	490,000	68,588
2010	965,000	1,046,990	330,000	59,483
2011	995,000	1,018,040	335,000	50,999
2011 - 2015	3,780,000	4,643,008	1,450,000	97,231
2016 - 2020	4,105,000	3,909,064	-	-
2021 - 2025	5,085,000	2,926,059	-	-
2026 - 2030	6,370,000	1,641,149	-	-
2031 - 2032	2,990,000	214,700	-	-
<b>Total</b>	<b>\$ 27,005,000</b>	<b>\$ 18,704,680</b>	<b>\$ 3,555,000</b>	<b>\$ 443,820</b>

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2006:

Year Ending June 30,	Notes Payable		2002 Sewer Revenue Bonds		2004 Water Revenue Bonds		2004 Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 42,295	\$ 23,859	\$ 360,000	\$ 47,338	\$ 645,000	\$ 64,756	\$ 185,000	\$ 41,406
2008	45,086	21,067	375,000	35,844	655,000	51,756	190,000	37,656
2009	48,012	18,141	400,000	22,750	670,000	38,088	195,000	33,684
2010	51,230	14,923	420,000	7,875	150,000	28,719	155,000	29,288
2011	54,612	11,542	-	-	155,000	24,144	155,000	24,638
2012 - 2015	120,264	12,044	-	-	670,000	45,916	685,000	47,025
<b>Total</b>	<b>\$ 361,499</b>	<b>\$ 101,576</b>	<b>\$ 1,555,000</b>	<b>\$ 113,807</b>	<b>\$ 2,945,000</b>	<b>\$ 253,378</b>	<b>\$ 1,565,000</b>	<b>\$ 213,697</b>

Year Ending June 30,	Golf Course Capital Lease	
	Principal	Interest
2007	\$ 134,777	\$ 17,556
2008	139,409	12,925
2009	144,201	8,134
2010	149,159	3,177
<b>Total</b>	<b>\$ 567,546</b>	<b>\$ 41,792</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**6. LONG-TERM LIABILITIES, Continued**

Non-commitment Special Assessment Debt

The following issues of Special Assessment District Bonds issued pursuant to the Municipal Improvement Act of 1915 were not reflected in the government activities, because these are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof, is pledged for the payment of these bonds:

	<u>Outstanding June 30, 2006</u>
Pleasanton Joint Powers Financing Authority Local Obligation Bonds:	
2004 Series A Reassessment Revenue Bonds	\$ 915,000
2004 Series B Reassessment Revenue Bonds	<u>58,515,000</u>
<b>Total</b>	<u><u>\$ 59,430,000</u></u>

Conduit Debt

The City has issued four separate Multifamily Housing Revenue Bonds, the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of four multifamily rental housing facilities located in the City. The projects include the Gatewood Square Apartments (original bond issue date 1985, refinanced in 1993), the Civic Square Apartments (original bond issue date 1985, refinanced in 1995), the Greenbriar Apartment Homes (original bond issue date 2001) and the Busch Senior Housing Apartments (original bond issue date 2003 in the amount of \$13,360,000). Each facility is required to be occupied in part by low or moderate income families. In addition, the Busch Senior Housing Project is restricted to apartment units exclusively for seniors. In September 2005, the City issued Variable Rate Demand Certificates of Participation (COP) for the Pleasanton Assisted Living Project Financing in the amount of \$19,700,000. The Assisted Living facility is owned by a separate corporation and payments on the COP debt will be made by the corporation from revenues derived from the operation of the facility.

The bonds are 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 notes are 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 each agreement.

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

Legal Debt Limit

As of June 30, 2006, the City's debt limit and legal debt margin (15% of 25% of valuation subject to taxation) was \$532,355,239.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**6. LONG-TERM LIABILITIES, Continued**

Arbitrage

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 deal with the investment of all tax-exempt bonds 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, 2006.

The City has complied with all significant bond covenants relating to reserve and sinking fund requirements.

**7. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured for general liability claims less than \$100,000. General liability claims in excess of \$100,000 are insured with Bay Cities Joint Powers Insurance Authority (Bay Cities), a public entity risk pool for the funding and pooling of insurance coverage. In the opinion of the City's management, premiums paid represent the best available estimate of the ultimate cost of its participation in Bay Cities and, accordingly, the accompanying basic financial statements include no provisions for possible refunded or additional assessments. For the year ended June 30, 2006, the City paid premiums to Bay Cities of \$594,995. All workers' compensation claims are administered by Innovative Care Systems.

The City's deductibles and maximum coverage follows:

Coverage	Deductible	Bay Cities	Excess Liability
General Liability	\$ 100,000	\$ 1,000,000	\$ 15,000,000
Employment Practice Liability	75,000	-	1,000,000
Workers' Compensation	500,000	-	52,000,000
All Risk Property ( Other than earthquake Subject to sub-limit)	50,000	500,000,000	760,000,000

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the City's insurance coverage in any of the past three fiscal years.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**7. RISK MANAGEMENT, Continued**

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and Employee Benefit Fund (Internal Service Funds). The Employee Benefit Fund receives payments from certain funds of the City which participate in the program and make payments based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The reserves are \$3,148,521 and \$9,246,534 at June 30, 2006 for the Employee Benefits Fund, and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$2,294,281 and \$440,233 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively reported in the funds as claims payable at June 30, 2006. The claims liabilities in the Liability Insurance Fund are based on the results of actuarial studies and include amounts for claims incurred but not reported. 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 self-insurance funds were as follows:

	June 30,	
	2006	2005
Unpaid claims, beginning of year	\$ 2,115,799	\$ 2,775,885
Incurred claims and changes in estimates	2,047,224	(207,955)
Claim payments	(1,428,509)	(452,131)
<b>Unpaid claims, end of year</b>	<b>\$ 2,734,514</b>	<b>\$ 2,115,799</b>

**8. COMPENSATED ABSENCES**

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. The total of vacation and other compensated leaves is \$4,186,285.

**9. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL**

The City participates in two 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. Obligations and liabilities of the separate entities are not those of the City.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**9. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL,  
Continued**

Bay Cities Joint Powers Insurance Authority (Insurance Authority)

The Bay Cities Joint Powers Insurance Authority (Insurance Authority) was established in August 1986 to provide an independently managed self-insurance program for its members. Members of the Insurance Authority include the cities of: Albany, Berkeley, Emeryville, Hayward, Monte Sereno, Piedmont, Redwood City, Union City and Pleasanton; and the San Francisco Redevelopment Agency. Each member has Insurance Authority activities. The City's proportionate share of the Insurance Authority's net assets, if any, is unknown as of June 30, 2006. Financial statements for the Insurance Authority may be obtained from Bay Cities, 6371 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

Livermore-Amador Valley Waste Management Agency (LAVWMA)

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates an expansion of the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, City of Livermore and City of Pleasanton. Sewer bonds are being repaid with user charges assessed to member agencies. The City's equity interest in the Agency was \$14,397,692 as of June 30, 2006. Financial statements for the LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Summaries of the latest available audited financial information as of and for the fiscal year ended June 30, 2006, are as follows:

	Bay Cities Insurance Authority	LAVWMA
Total assets	\$ 14,681,898	\$ 197,206,652
Total liabilities	10,967,628	149,812,063
Total equity	3,714,270	47,394,589
Total revenues	8,965,743	14,817,913
Total expenses	8,527,003	9,879,467

**10. NET ASSETS / FUND BALANCES**

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt

This category groups all capital assets, including infrastructure, into one component of net assets. 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, Continued**  
**For the year ended June 30, 2006**

**10. NET ASSETS / FUND BALANCES, Continued**

Restricted Net Assets

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

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

In the fund financial statements, fund balances consist of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balance.

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures.

In the Fund Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Council and Management and can be increased, reduced or eliminated by similar actions. In Governmental Funds, fund reservations and designations are presented as a component of fund balance as follows:

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Funds
<b>Reserved:</b>				
Encumbrances	\$ 560,957	\$ -	\$ -	\$ -
Debt Service	-	-	-	411,095
Inventory	44,307	-	-	-
<b>Total reserved</b>	<u>605,264</u>	<u>-</u>	<u>-</u>	<u>411,095</u>
<b>Unreserved, designated:</b>				
Economic uncertainty	8,610,000	-	-	-
Carryovers	3,905,653	-	-	-
Capital projects	6,300,000	-	-	62,842,692
Special purposes	-	12,486,190	79,118	9,321,599
Temporary recession	5,100,000	-	-	-
<b>Total unreserved designated:</b>	<u>23,915,653</u>	<u>12,486,190</u>	<u>79,118</u>	<u>72,164,291</u>
<b>Total Fund Equity</b>	<u>\$ 24,520,917</u>	<u>\$ 12,486,190</u>	<u>\$ 79,118</u>	<u>\$ 72,575,386</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**11. DEFINED BENEFIT PENSION PLAN**

**A. California Public Employees' Retirement Plan (PERS)**

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS). The miscellaneous and fire employees of the City are part of an agent multiple-employer defined benefit pension plan. The police employees are part of a cost-sharing multiple-employer defined benefit plan. . PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active members are required by State statute to contribute 8% of their annual salary if a miscellaneous member, and 9% if a safety member. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$3,774,831 for the year ended June 30, 2006. The City's employer required contributions rate for Safety Fire employees was 25.017%, for Safety Police employees was 27.016%, and for Miscellaneous employees was 18.479% for the fiscal year.

Annual Pension Cost - For 2005-2006, the City's annual pension cost of \$9,608,085 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2003, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. PERS unfunded actuarial liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period as of June 30, 2003 was 17 years for safety police, 24 years for safety fire and 16 years for miscellaneous employees for prior and current service unfunded liability.

**THREE-YEAR TREND INFORMATION FOR PERS**

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ 3,377,091	100%	\$ -
6/30/2005	7,900,207	100%	-
6/30/2006	9,608,085	100%	-

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**12. POST EMPLOYMENT HEALTH CARE BENEFITS**

The City provides post retirement health care benefits, in accordance with certain employee agreements, to all employees who retire from the City. The effective date varies based upon the employee's classification and related memorandum of understanding (MOU). For all employees who retire for service, the City shall pay for each year of service, four percent (4%) of the monthly premium for the employee and one dependent of the City's current Kaiser S-1 Health Plan coverage, except for management employees that have an option to use a second alternative, also based on years of service, as agreed to in its MOU. For all employees who retire for disability, the City shall pay a percentage of the monthly premium for the employee and one dependent of the City's current Kaiser S-1 Health Plan coverage in accordance with the applicable MOU.

The City's contributions are advance-funded on an actuarially determined basis and recorded in the Retirees' Insurance Reserve and Livermore-Pleasanton Fire Retirees' Insurance Reserve Internal Services Funds (Funds). The City contracted to have an actuarial study of retiree medical benefits done in November 2001, to determine the plan's June 30, 2001 funded status. The Actuarial cost method used was the Projected Unit Credit Cost Method. The significant actuarial assumptions used were (a) interest rate of 6.0%, (b) medical cost increase of 10% grading to 4.5% over 20 years and (c) Kaiser Permanente S-1 members rates. The actuarially accrued liability was \$28.3 million at June 30, 2001. In November 2004, the actuarial study was updated to reflect current medical costs and differing interest earnings assumptions. The revised actuarial results reflect an actuarially accrued liability of \$43.8 million (6% earnings assumption) or 53.4 million (5% earnings assumption). On June 30, 2005, the City had \$27.6 million of net assets available for post retirement health care benefits. During the 2006 year, the City contributed \$3.9 million to the Funds. Interest earnings during 2006 were \$0.7 million and expenditures were \$0.9 million. On June 30, 2006, the resulting fund balance was \$31.3 million, and there were 499 active participants and 182 retired participants eligible to receive post retirement health care benefits.

**13. COMMITMENTS AND CONTINGENCIES**

**A. Animal Shelter**

The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) reached an agreement under which the County constructed an animal shelter facility on its property with an estimated final cost of \$3,900,000. The facility was placed in service during fiscal year 1996. Under the agreement, the entities will share in the debt service costs of the project based on their use of the animal shelter. Pleasanton contributed \$63,816 during the year representing its share of the fiscal year 2006 debt service payment.

**B. BART Station at West Dublin/Pleasanton**

On June 30, 2006, the Bay Area Rapid Transit Authority (BART) sold \$65 million in Sales Tax Revenue Bonds to finance the construction of the West Dublin/Pleasanton station to be located near the Stoneridge Mall. Groundbreaking for the station was held in late September. This is the second of two BART stations in the City of Pleasanton. The City contributed \$500,000 to a reserve fund for the project debt service and a reserve for operations and maintenance for the new station, with an additional \$500,000 due within two years. A 350-unit apartment complex is proposed on a portion of the BART property.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**13. COMMITMENTS AND CONTINGENCIES, Continued**

*C. 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 insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

*D. 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 2001 Series A Sewer Revenue Bonds on March 1, 2001 to finance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project. The total project cost is approximately \$149 million. The City's proportionate share of the project will be approximately 32%.

*E. Construction Commitments*

The City had several outstanding or planned construction projects as of June 30, 2006. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

<u>Project Description</u>	<u>Amounts</u>
Resurfacing of Various Streets	\$ 2,361,699
Santos Ranch Road Pump Station	1,866,207
Kottinger Creek Restoration	1,030,197
Stoneridge Drive Pipeline	626,274
Vineyard Roundabout Removal	544,660
Firehouse Arts Center	492,230
Environmental Documents for Bernal/I-680 Interchange	447,817
Sewer Station 8 Diversion Structure	401,533
Downtown Restrooms Delucchi Park	400,437
Utilities SCADA System	245,350
Slurry Sealing of City Streets	128,661
Sidewalks and Ramps Installation	122,958
Longview Drive Pump Station Line	97,837
Ironhorse Trail	91,767
Total	<u>\$ 8,857,627</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2006**

**14. PRIOR PERIOD ADJUSTMENTS**

**A. Government-Wide Financial Statements**

During fiscal year 2006, the City recorded the following prior period adjustments to record prior year changes in the City's equity in the Joint Ventures investment and to reverse transfer of funds for the purpose of capital assets acquisition, incorrectly transferred in prior years.

	Net Assets as Previously Reported	Prior year Investment in Joint Ventures	Capital assets Transfers	Net Assets as Restated
<b>Government-Wide Activities:</b>				
<b>Governmental Activities</b>				
Net assets	\$ 543,895,854	\$ -	\$ 897,300	\$ 544,793,154
Total government-wide activities	543,895,854	-	897,300	544,793,154
<b>Business-type Activities</b>				
Net assets	231,182,115	659,873	(897,300)	230,944,688
Total business-type activities	231,182,115	659,873	(897,300)	230,944,688
<b>Total government-wide activities</b>	<b>\$ 775,077,969</b>	<b>\$ 659,873</b>	<b>\$ -</b>	<b>\$ 775,737,842</b>

**B. Fund Financial Statements**

During fiscal year 2006, the City recorded the following prior period adjustment in its Sewer Fund to record prior year changes in the City's equity in the Joint Ventures investment and to reverse transfer of funds for the purpose of capital assets acquisition, incorrectly transferred in prior years.

	Fund Balance as Previously Reported	Prior year Investment in Joint Ventures	Capital assets Transfers	Fund Balance as Restated
Water fund	\$ 86,670,438	\$ -	\$ 1,148,905	\$ 87,819,343
Sewer fund	80,328,197	659,873	1,599,749	82,587,819
Golf fund	44,077,592	-	(4,978,622)	39,098,970
Storm Drain fund	19,111,413	-	1,332,668	20,444,081
<b>Total</b>	<b>\$ 230,187,640</b>	<b>\$ 659,873</b>	<b>\$ (897,300)</b>	<b>\$ 229,950,213</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Pleasanton**  
**Required Supplementary Information**  
**For the year ended June 30, 2006**

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**1. BUDGETARY BASIS OF ACCOUNTING**

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

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' 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 additions or changes are legally adopted through Council resolution.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service funds and certain Capital Projects Funds, Enterprise Funds and Internal Service Funds.
7. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
8. 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**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2006**

**1. BUDGETARY BASIS OF ACCOUNTING, Continued**

*Budgetary Comparison Schedule - General Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 66,161,187	\$ 67,488,143	\$ 69,225,234	\$ 1,737,091
Licenses	13,209	11,109	11,709	600
Permits	2,524,725	2,157,425	2,031,209	(126,216)
Fines and forfeitures	628,950	553,950	575,524	21,574
Use of money and property	420,571	666,571	637,787	(28,784)
Intergovernmental	911,534	2,012,851	2,042,800	29,949
Franchises	1,531,528	1,559,781	1,578,689	18,908
Development fees	118,267	223,015	283,674	60,659
Plan check fees	1,055,881	1,030,131	1,119,904	89,773
Charges for services	1,517,326	1,517,451	1,712,177	194,726
Contribution and donations	2,280	280	5,912	5,632
Other revenues	3,146,702	3,148,233	2,742,997	(405,236)
Reimbursements	504,120	745,735	585,423	(160,312)
Recreation	3,383,290	3,430,667	3,318,407	(112,260)
<b>Total revenues</b>	<b>81,919,570</b>	<b>84,545,342</b>	<b>85,871,446</b>	<b>1,326,104</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,397,155	11,943,067	10,279,430	1,663,637
Public safety	32,359,839	32,420,696	31,578,254	842,442
Planning and community development	2,911,241	3,999,369	3,468,613	530,756
Public works	14,229,617	15,491,172	15,262,520	228,652
Community activities	15,398,248	16,604,295	15,798,816	805,479
Capital outlay	543,470	796,348	558,650	237,698
<b>Total expenditures</b>	<b>76,839,570</b>	<b>81,254,947</b>	<b>76,946,283</b>	<b>4,308,664</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,080,000</b>	<b>3,290,395</b>	<b>8,925,163</b>	<b>5,634,768</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(6,700,000)	(6,700,000)	(7,027,411)	(327,411)
<b>Net change in fund balances</b>	<b>\$ (1,620,000)</b>	<b>\$ (3,409,605)</b>	<b>1,897,752</b>	<b>\$ 5,307,357</b>
<b>FUND BALANCES:</b>				
Beginning of year			22,623,165	
End of year			<b>\$ 24,520,917</b>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2006**

**1. BUDGETARY BASIS OF ACCOUNTING, Continued**

Budgetary Comparison Schedule - Lower Income Housing Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 261,000	\$ 390,000	\$ 458,455	\$ 68,455
Contributions and donations	-	15,000	15,000	-
Development fees	2,843,200	800,000	900,649	100,649
Reimbursements	-	-	74,906	74,906
<b>Total revenues</b>	<u>3,104,200</u>	<u>1,205,000</u>	<u>1,449,010</u>	<u>244,010</u>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	364,367	3,815,860	3,200,919	614,941
<b>Total expenditures</b>	<u>364,367</u>	<u>3,815,860</u>	<u>3,200,919</u>	<u>614,941</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,739,833	(2,610,860)	(1,751,909)	858,951
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceed from loans	-	1,500,000	1,500,000	-
Proceed from notes payable	-	390,000	20,000	(370,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,890,000</u>	<u>1,520,000</u>	<u>(370,000)</u>
<b>Net change in fund balances</b>	<u>\$ 2,739,833</u>	<u>\$ (720,860)</u>	<u>(231,909)</u>	<u>\$ 488,951</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>12,718,099</u>	
End of year			<u>\$ 12,486,190</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2006**

**1. BUDGETARY BASIS OF ACCOUNTING, Continued**

*Budgetary Comparison Schedule – Livermore Pleasanton Fire Department (Livermore Share Only) Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 15,000	\$ 15,000	\$ 21,428	\$ 6,428
Intergovernmental	-	69,700	149,056	79,356
Charges for services	24,886,067	12,768,599	12,006,314	(762,285)
Reimbursements	6,000	5,150	33,917	28,767
Contribution and donations	-	5,842	11,342	5,500
Other revenues	15,200	15,200	5,119	(10,081)
<b>Total revenues</b>	<b>24,922,267</b>	<b>12,879,491</b>	<b>12,227,176</b>	<b>(652,315)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	24,914,267	12,953,939	12,219,854	734,085
Capital outlay	8,000	24,220	15,903	8,317
<b>Total expenditures</b>	<b>24,922,267</b>	<b>12,978,159</b>	<b>12,235,757</b>	<b>742,402</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (98,668)</b>	<b>(8,581)</b>	<b>\$ 90,087</b>
<b>FUND BALANCES:</b>				
Beginning of year			87,699	
End of year			\$ 79,118	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2006**

**2. PENSION PLAN SCHEDULE OF FUNDING PROGRESS**

Fire Safety

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2003	\$ 73,693,368	\$ 88,075,164	\$ 14,381,796	83.7%	\$ 10,699,882	134.41%
6/30/2004	77,816,104	95,765,853	17,949,749	81.3%	11,368,857	157.89%
6/30/2005	83,925,772	104,238,395	20,312,623	80.5%	11,703,881	173.55%

Police Safety

As of the actuarial valuation date of June 30, 2003, the City's police plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required.

Miscellaneous

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	(Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2003	\$ 64,485,121	\$ 82,849,627	\$ 18,364,506	77.8%	\$ 21,083,698	87.10%
6/30/2004	71,098,657	94,134,819	23,036,162	75.5%	21,406,350	107.61%
6/30/2005	79,274,450	104,511,771	25,237,321	75.9%	22,078,225	114.31%

**SUPPLEMENTAL INFORMATION**

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2006**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 8,401,974	\$ -	\$ 62,137,656	\$ 70,539,630
Receivables:				
Accounts	1,430,987	-	695,983	2,126,970
Grants	268,712	-	-	268,712
Interest	94,677	-	619,353	714,030
Restricted cash and investments	-	411,095	-	411,095
<b>Total assets</b>	<b>\$ 10,196,350</b>	<b>\$ 411,095</b>	<b>\$ 63,452,992</b>	<b>\$ 74,060,437</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 544,239	\$ -	\$ 353,557	\$ 897,796
Due to other funds	276,326	-	-	276,326
Deposits	750	-	256,743	257,493
Deferred revenue	53,436	-	-	53,436
<b>Total liabilities</b>	<b>874,751</b>	<b>-</b>	<b>610,300</b>	<b>1,485,051</b>
<b>Fund Balances:</b>				
Reserved	-	411,095	-	411,095
Unreserved designated for:				
Capital projects	-	-	62,842,692	62,842,692
Specific purposes	9,321,599	-	-	9,321,599
<b>Total fund balances</b>	<b>9,321,599</b>	<b>411,095</b>	<b>62,842,692</b>	<b>72,575,386</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,196,350</b>	<b>\$ 411,095</b>	<b>\$ 63,452,992</b>	<b>\$ 74,060,437</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2006**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES:</b>				
Special assessments	\$ 215,035	\$ -	\$ -	\$ 215,035
Fines and forfeitures	-	-	-	-
Use of money and property	227,303	15,220	1,406,275	1,648,798
Intergovernmental	3,821,611	-	157,976	3,979,587
Charges for service	29,501	-	-	29,501
Development fees	-	-	2,500,932	2,500,932
Reimbursements	256,504	-	835,672	1,092,176
Contributions and donations	17,489	-	3,367,483	3,384,972
Other revenues	506,587	-	265,365	771,952
<b>Total revenues</b>	<b>5,074,030</b>	<b>15,220</b>	<b>8,533,703</b>	<b>13,622,953</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	28,753	-	-	28,753
Planning and community development	891,066	-	-	891,066
Public works	140,306	-	10,961	151,267
Community activities	369,107	-	41,467	410,574
Capital outlay	4,193,231	-	3,718,250	7,911,481
Debt service:				
Principal	-	1,330,000	-	1,330,000
Interest and fiscal charges	-	1,239,890	-	1,239,890
<b>Total expenditures</b>	<b>5,622,463</b>	<b>2,569,890</b>	<b>3,770,678</b>	<b>11,963,031</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(548,433)</b>	<b>(2,554,670)</b>	<b>4,763,025</b>	<b>1,659,922</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	2,544,730	5,871,914	8,426,644
Transfers out	(10,000)	-	(4,831,000)	(4,841,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,544,730</b>	<b>1,040,914</b>	<b>3,585,644</b>
<b>Net change in fund balances</b>	<b>(548,433)</b>	<b>(9,940)</b>	<b>5,803,939</b>	<b>5,245,566</b>
<b>FUND BALANCES:</b>				
Beginning of year	9,870,032	421,035	57,038,753	67,329,820
End of year	<u>\$ 9,321,599</u>	<u>\$ 411,095</u>	<u>\$ 62,842,692</u>	<u>\$ 72,575,386</u>

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## NON-MAJOR SPECIAL REVENUE FUNDS

*Special Revenue Funds* account for the proceeds of special revenue sources, other than special assessments and major capital projects, which are legally restricted to expenditures for specified purposes.

### **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 Parking (CBD) 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, Bonde 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 (GHADs)**

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 Street Repair**

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

### **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.

### **H.O.M.E Program**

The Housing Opportunities Made Easy program 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

### **M.T.C. Funds**

The City annually applies to the Metropolitan Transportation Commission (M.T.C.) for monies to be used on various bicycle path projects.

### **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 Fund**

This fund was established in 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 projects in the Miscellaneous Capital Improvement Program, the Used Oil program, AB3229 revenues for front line law enforcement expenditures, and Federal Block Grants for law enforcement programs.

### **Ridgeview Commons Housing**

This fund had been established to address minor facility enhancements to Ridgeview Commons senior housing project. Revenues resulted from the fact that the projected cost of constructing the facility exceeded the actual costs.

### **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.

### **State Park Bonds**

This fund receives revenue from State Park Bonds for various Park Capital Improvement projects.

### **Downtown Economic Loan**

This fund was established in 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.

### **Disaster Relief**

This fund accounted for monies received for storm drain flooding projects.

### **Federal ISTEA Program**

This fund accounts for grant revenues from the Federal Intermodal Surface Transportation Efficiency Act (ISTEA).

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**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2006**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>ASSETS</b>						
Cash and investments	\$ 29,918	\$ 78,847	\$ 217,298	\$ 1,751,076	\$ 75,979	\$ 302,510
Receivables:						
Accounts	-	-	-	88,751	-	746
Grants	-	-	-	-	-	-
Interest	332	880	2,384	18,862	764	3,384
<b>Total assets</b>	<b>\$ 30,250</b>	<b>\$ 79,727</b>	<b>\$ 219,682</b>	<b>\$ 1,858,689</b>	<b>\$ 76,743</b>	<b>\$ 306,640</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 45,056	\$ -	\$ 8,070
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,056</b>	<b>-</b>	<b>8,070</b>
<b>Fund Balances:</b>						
Unreserved designated for:						
Special purposes	30,250	79,727	219,682	1,813,633	76,743	298,570
<b>Total fund balances</b>	<b>30,250</b>	<b>79,727</b>	<b>219,682</b>	<b>1,813,633</b>	<b>76,743</b>	<b>298,570</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,250</b>	<b>\$ 79,727</b>	<b>\$ 219,682</b>	<b>\$ 1,858,689</b>	<b>\$ 76,743</b>	<b>\$ 306,640</b>

Geologic Hazard Assessment Districts	Measure B Street Repair	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program	Library Trust Fund
\$ 442,245	\$ 2,067,124	\$ 2,829,203	\$ -	\$ -	\$ 190,092	\$ 220,101	\$ 14,570
2,314	131,985	697,510	23,483	-	-	11,536	-
-	268,712	-	-	-	-	-	-
4,905	26,134	29,831	-	-	2,163	2,420	159
<u>\$ 449,464</u>	<u>\$ 2,493,955</u>	<u>\$ 3,556,544</u>	<u>\$ 23,483</u>	<u>\$ -</u>	<u>\$ 192,255</u>	<u>\$ 234,057</u>	<u>\$ 14,729</u>
\$ -	\$ 217,011	\$ 59,318	\$ -	\$ -	\$ -	\$ 1,322	\$ -
-	-	-	23,483	-	-	-	-
-	-	750	-	-	-	-	-
-	-	-	-	-	-	-	-
-	217,011	60,068	23,483	-	-	1,322	-
449,464	2,276,944	3,496,476	-	-	192,255	232,735	14,729
449,464	2,276,944	3,496,476	-	-	192,255	232,735	14,729
<u>\$ 449,464</u>	<u>\$ 2,493,955</u>	<u>\$ 3,556,544</u>	<u>\$ 23,483</u>	<u>\$ -</u>	<u>\$ 192,255</u>	<u>\$ 234,057</u>	<u>\$ 14,729</u>

(Continued)

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds, Continued**  
**June 30, 2005**

	Miscellaneous Grant	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	State Park Bonds	Downtown Economic Loan
<b>ASSETS</b>						
Cash and investments	\$ 128,867	\$ 32,282	\$ -	\$ -	\$ -	\$ 12,494
Receivables:						
Accounts	173,950	-	37,148	237,178	26,386	-
Grants	-	-	-	-	-	-
Interest	1,895	354	-	-	-	210
<b>Total assets</b>	<b>\$ 304,712</b>	<b>\$ 32,636</b>	<b>\$ 37,148</b>	<b>\$ 237,178</b>	<b>\$ 26,386</b>	<b>\$ 12,704</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 9,643	\$ -	\$ 13,223	\$ 187,879	\$ 2,717	\$ -
Due to other funds	165,950	-	23,925	39,299	23,669	-
Deposits	-	-	-	-	-	-
Deferred revenue	53,436	-	-	-	-	-
<b>Total liabilities</b>	<b>229,029</b>	<b>-</b>	<b>37,148</b>	<b>227,178</b>	<b>26,386</b>	<b>-</b>
<b>Fund Balances:</b>						
Unreserved designated for:						
Special purposes	75,683	32,636	-	10,000	-	12,704
<b>Total fund balances</b>	<b>75,683</b>	<b>32,636</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>12,704</b>
<b>Total liabilities and fund balances</b>	<b>\$ 304,712</b>	<b>\$ 32,636</b>	<b>\$ 37,148</b>	<b>\$ 237,178</b>	<b>\$ 26,386</b>	<b>\$ 12,704</b>

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Disaster Relief	Federal ISTE Program	Total
\$ 9,368	\$ -	\$ 8,401,974
-	-	1,430,987
-	-	268,712
-	-	94,677
<u>\$ 9,368</u>	<u>\$ -</u>	<u>\$ 10,196,350</u>

\$ -	\$ -	\$ 544,239
-	-	276,326
-	-	750
-	-	53,436
<u>-</u>	<u>-</u>	<u>874,751</u>

9,368	-	9,321,599
<u>9,368</u>	<u>-</u>	<u>9,321,599</u>
<u>\$ 9,368</u>	<u>\$ -</u>	<u>\$ 10,196,350</u>

(Concluded)

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2006**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,875
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	658	1,733	5,314	44,341	1,718	7,888
Intergovernmental	-	-	-	31,500	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	7,068	-	-	-	1,855	-
Other	-	36,040	-	461,049	-	8,561
<b>Total revenues</b>	<b>7,726</b>	<b>37,773</b>	<b>5,314</b>	<b>536,890</b>	<b>3,573</b>	<b>148,324</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	836	15,917	-	-	-	-
Planning and community development	-	-	-	733,187	3,558	-
Public works	-	-	-	-	-	-
Community activities	-	-	-	-	-	204,589
Capital outlay	-	7,022	-	-	-	-
<b>Total expenditures</b>	<b>836</b>	<b>22,939</b>	<b>-</b>	<b>733,187</b>	<b>3,558</b>	<b>204,589</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,890</b>	<b>14,834</b>	<b>5,314</b>	<b>(196,297)</b>	<b>15</b>	<b>(56,265)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing source</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>6,890</b>	<b>14,834</b>	<b>5,314</b>	<b>(196,297)</b>	<b>15</b>	<b>(56,265)</b>
<b>FUND BALANCES:</b>						
Beginning of year	23,360	64,893	214,368	2,009,930	76,728	354,835
End of year	\$ 30,250	\$ 79,727	\$ 219,682	\$ 1,813,633	\$ 76,743	\$ 298,570



Geologic Hazard Assessment Districts	Measure B	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program	Library Trust Fund
\$ 83,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
10,308	66,994	69,141	-	-	4,534	4,933	334
-	1,119,104	2,034,220	60,541	-	-	-	-
-	-	-	-	-	29,501	-	-
-	-	-	-	-	-	124,636	-
-	-	-	-	-	-	7,650	916
937	-	-	-	-	-	-	-
94,405	1,186,098	2,103,361	60,541	-	34,035	137,219	1,250
-	-	-	-	-	12,000	-	-
-	-	-	7,237	-	-	-	-
13,803	20,619	-	-	-	-	-	-
-	-	-	-	-	-	13,494	100
-	1,952,976	1,845,352	53,304	-	-	-	-
13,803	1,973,595	1,845,352	60,541	-	12,000	13,494	100
80,602	(787,497)	258,009	-	-	22,035	123,725	1,150
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
80,602	(787,497)	258,009	-	-	22,035	123,725	1,150
368,862	3,064,441	3,238,467	-	-	170,220	109,010	13,579
\$ 449,464	\$ 2,276,944	\$ 3,496,476	\$ -	\$ -	\$ 192,255	\$ 232,735	\$ 14,729

(Continued)

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds, Continued**  
**For the year ended June 30, 2005**

	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	State Park Bonds	Downtown Economic Loan
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	4,985	3,853	-	-	-	569
Intergovernmental	186,338	-	-	368,847	10,111	-
Charges for service	-	-	-	-	-	-
Reimbursements	36,934	-	94,934	-	-	-
Contributions and donations	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>228,257</b>	<b>3,853</b>	<b>94,934</b>	<b>368,847</b>	<b>10,111</b>	<b>569</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Planning and community development	-	6,600	-	140,484	-	-
Public works	-	-	94,934	-	-	-
Community activities	150,924	-	-	-	-	-
Capital outlay	96,103	-	-	228,363	10,111	-
<b>Total expenditures</b>	<b>247,027</b>	<b>6,600</b>	<b>94,934</b>	<b>368,847</b>	<b>10,111</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(18,770)</b>	<b>(2,747)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>569</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	10,000	-	-
Transfers out	-	-	-	-	-	(10,000)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>(10,000)</b>
<b>Net change in fund balances</b>	<b>(18,770)</b>	<b>(2,747)</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>(9,431)</b>
<b>FUND BALANCES:</b>						
Beginning of year	94,453	35,383	-	-	-	22,135
End of year	\$ 75,683	\$ 32,636	\$ -	\$ 10,000	\$ -	\$ 12,704

Disaster Relief	Federal ISTE Program	Total
\$ -	\$ -	\$ 215,035
-	-	-
-	-	227,303
-	10,950	3,821,611
-	-	29,501
-	-	256,504
-	-	17,489
-	-	506,587
-	10,950	5,074,030
-	-	28,753
-	-	891,066
-	10,950	140,306
-	-	369,107
-	-	4,193,231
-	10,950	5,622,463
-	-	(548,433)
-	-	10,000
-	-	(10,000)
-	-	-
-	-	(548,433)
9,368	-	9,870,032
\$ 9,368	\$ -	\$ 9,321,599

(Concluded)

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**D.A.R.E Trust Special Revenue Fund**  
**For the year ended June 30, 2006**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 500	\$ 658	\$ 158
Contributions and donations	4,000	7,068	7,068	-
<b>Total revenues</b>	<u>4,200</u>	<u>7,568</u>	<u>7,726</u>	<u>158</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	6,000	6,000	836	5,164
<b>Total expenditures</b>	<u>6,000</u>	<u>6,000</u>	<u>836</u>	<u>5,164</u>
<b>Net change in fund balances</b>	<u>\$ (1,800)</u>	<u>\$ 1,568</u>	6,890	<u>\$ 5,322</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>23,360</u>	
End of year			<u>\$ 30,250</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Other	-	36,040	36,040	-
Use of money and property	500	1,500	1,733	233
<b>Total revenues</b>	<u>500</u>	<u>37,540</u>	<u>37,773</u>	<u>233</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	18,100	27,091	15,917	11,174
Capital outlay	17,700	17,700	7,022	10,678
<b>Total expenditures</b>	<u>35,800</u>	<u>44,791</u>	<u>22,939</u>	<u>21,852</u>
<b>Net change in fund balances</b>	<u>\$ (35,300)</u>	<u>\$ (7,251)</u>	14,834	<u>\$ 22,085</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>64,893</u>	
End of year			<u>\$ 79,727</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CBD Parking In-Lieu Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 6,000	\$ 6,000	\$ 5,314	\$ (686)
Contributions and donations	-	-	-	-
<b>Total revenues</b>	<u>6,000</u>	<u>6,000</u>	<u>5,314</u>	<u>(686)</u>
<b>Net change in fund balances</b>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	5,314	<u>\$ (686)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>214,368</u>	
End of year			<u>\$ 219,682</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Resource Management Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 30,000	\$ 50,000	\$ 44,341	\$ (5,659)
Other	277,600	327,453	492,549	165,096
<b>Total revenues</b>	<u>307,600</u>	<u>377,453</u>	<u>536,890</u>	<u>159,437</u>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	794,400	1,532,263	733,187	799,076
<b>Total expenditures</b>	<u>794,400</u>	<u>1,532,263</u>	<u>733,187</u>	<u>799,076</u>
<b>Net change in fund balances</b>	<u>\$ (486,800)</u>	<u>\$ (1,154,810)</u>	(196,297)	<u>\$ 958,513</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,009,930</u>	
End of year			<u>\$ 1,813,633</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Donations Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 1,550	\$ 1,718	\$ 168
Contributions and donations	-	1,855	1,855	-
Other	-	-	-	-
<b>Total revenues</b>	<u>500</u>	<u>3,405</u>	<u>3,573</u>	<u>168</u>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	1,500	5,058	3,558	1,500
<b>Total expenditures</b>	<u>1,500</u>	<u>5,058</u>	<u>3,558</u>	<u>1,500</u>
<b>Net change in fund balances</b>	<u>\$ (1,000)</u>	<u>\$ (1,653)</u>	15	<u>\$ 1,668</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>76,728</u>	
End of year			<u>\$ 76,743</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape and Lighting Districts**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 128,300	\$ 128,300	\$ 131,875	\$ 3,575
Use of money and property	5,400	7,300	7,888	588
Other	11,561	11,561	8,561	(3,000)
<b>Total revenues</b>	<u>145,261</u>	<u>147,161</u>	<u>148,324</u>	<u>1,163</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	138,125	230,779	204,589	26,190
<b>Total expenditures</b>	<u>138,125</u>	<u>230,779</u>	<u>204,589</u>	<u>26,190</u>
<b>Net change in fund balances</b>	<u>\$ 7,136</u>	<u>\$ (83,618)</u>	<u>(56,265)</u>	<u>\$ 27,353</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>354,835</u>	
End of year			<u>\$ 298,570</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Geologic Hazard Assessment Districts**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 65,700	\$ 55,930	\$ 83,160	\$ 27,230
Use of money and property	5,700	9,400	10,308	908
Other	930	937	937	-
<b>Total revenues</b>	<u>72,330</u>	<u>66,267</u>	<u>94,405</u>	<u>28,138</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	41,003	41,003	13,803	27,200
<b>Total expenditures</b>	<u>41,003</u>	<u>41,003</u>	<u>13,803</u>	<u>27,200</u>
<b>Net change in fund balances</b>	<u>\$ 31,327</u>	<u>\$ 25,264</u>	80,602	<u>\$ 55,338</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>368,862</u>	
End of year			<u>\$ 449,464</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Measure B Street Repair Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 20,000	\$ 49,000	\$ 66,994	\$ 17,994
Intergovernmental	1,232,000	1,237,972	1,119,104	(118,868)
<b>Total revenues</b>	<b>1,252,000</b>	<b>1,286,972</b>	<b>1,186,098</b>	<b>(100,874)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	21,000	21,000	20,619	381
Capital outlay	4,217,480	4,217,480	1,952,976	2,264,504
<b>Total expenditures</b>	<b>4,238,480</b>	<b>4,238,480</b>	<b>1,973,595</b>	<b>2,264,885</b>
<b>Net change in fund balances</b>	<b>\$ (2,986,480)</b>	<b>\$ (2,951,508)</b>	<b>(787,497)</b>	<b>\$ 2,164,011</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,064,441	
End of year			\$ 2,276,944	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 56,000	\$ 69,141	\$ 13,141
Intergovernmental	1,292,500	2,033,758	2,034,220	462
<b>Total revenues</b>	<b>1,332,500</b>	<b>2,089,758</b>	<b>2,103,361</b>	<b>13,603</b>
<b>EXPENDITURES:</b>				
Capital outlay	4,471,400	4,471,116	1,845,352	2,625,764
<b>Total expenditures</b>	<b>4,471,400</b>	<b>4,471,116</b>	<b>1,845,352</b>	<b>2,625,764</b>
<b>Net change in fund balances</b>	<b>\$ (3,138,900)</b>	<b>\$ (2,381,358)</b>	258,009	<b>\$ 2,639,367</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,238,467	
End of year			<b>\$ 3,496,476</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**H.O.M.E. Program Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 57,237	\$ 110,541	\$ 60,541	\$ (50,000)
<b>Total revenues</b>	<u>57,237</u>	<u>110,541</u>	<u>60,541</u>	<u>(50,000)</u>
<b>EXPENDITURES:</b>				
Planning and community development	7,237	7,237	7,237	-
Capital outlay	50,000	103,304	53,304	50,000
<b>Total expenditures</b>	<u>57,237</u>	<u>110,541</u>	<u>60,541</u>	<u>50,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**M.T.C. Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 58,149	\$ -	\$ (58,149)
<b>Total revenues</b>	<u>-</u>	<u>58,149</u>	<u>-</u>	<u>(58,149)</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	58,149	-	58,149
<b>Total expenditures</b>	<u>-</u>	<u>58,149</u>	<u>-</u>	<u>58,149</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Abandoned Vehicle Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 1,000	\$ 3,000	\$ 4,534	\$ 1,534
Charge for services	28,000	28,000	29,501	1,501
<b>Total revenues</b>	<u>29,000</u>	<u>31,000</u>	<u>34,035</u>	<u>3,035</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	12,000	12,000	12,000	-
<b>Total expenditures</b>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 17,000</u>	<u>\$ 19,000</u>	22,035	<u>\$ 3,035</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>170,220</u>	
End of year			<u>\$ 192,255</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Urban Forestry Program Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Contributions and donations	\$ -	\$ 3,600	\$ 7,650	\$ 4,050
Use of money and property	2,000	4,000	4,933	933
Reimbursement	-	124,636	124,636	-
<b>Total revenues</b>	<u>2,000</u>	<u>132,236</u>	<u>137,219</u>	<u>4,983</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	15,450	22,400	13,494	8,906
<b>Total expenditures</b>	<u>15,450</u>	<u>22,400</u>	<u>13,494</u>	<u>8,906</u>
<b>Net change in fund balances</b>	<u>\$ (13,450)</u>	<u>\$ 109,836</u>	123,725	<u>\$ 13,889</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>109,010</u>	
End of year			<u>\$ 232,735</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Library Trust Fund Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 334	\$ 334
Contributions and donations	-	-	916	916
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,250</b>	<b>1,250</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	9,048	100	8,948
<b>Total expenditures</b>	<b>-</b>	<b>9,048</b>	<b>100</b>	<b>8,948</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (9,048)</b>	<b>1,150</b>	<b>\$ 10,198</b>
<b>FUND BALANCES:</b>				
Beginning of year			13,579	
End of year			<b>\$ 14,729</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 3,000	\$ 4,985	\$ 1,985
Intergovernmental	565,715	1,005,134	186,338	(818,796)
Reimbursement	24,443	46,669	36,934	(9,735)
<b>Total revenues</b>	<u>590,158</u>	<u>1,054,803</u>	<u>228,257</u>	<u>(826,546)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	45,649	522,194	150,924	371,270
Capital outlay	544,510	626,648	96,103	530,545
<b>Total expenditures</b>	<u>590,159</u>	<u>1,148,842</u>	<u>247,027</u>	<u>901,815</u>
<b>Net change in fund balances</b>	<u>\$ (1)</u>	<u>\$ (94,039)</u>	<u>(18,770)</u>	<u>\$ 75,269</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>94,453</u>	
End of year			<u>\$ 75,683</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Ridgeview Commons Housing Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,100	\$ 4,000	\$ 3,853	\$ (147)
Other	-	-	-	-
<b>Total revenues</b>	<u>3,100</u>	<u>4,000</u>	<u>3,853</u>	<u>(147)</u>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	2,400	6,600	6,600	-
<b>Total expenditures</b>	<u>2,400</u>	<u>6,600</u>	<u>6,600</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 700</u>	<u>\$ (2,600)</u>	<u>(2,747)</u>	<u>\$ (147)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>35,383</u>	
End of year			<u>\$ 32,636</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**HBPOA Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Reimbursements	\$ 75,000	\$ 94,936	\$ 94,934	\$ (2)
<b>Total revenues</b>	<u>75,000</u>	<u>94,936</u>	<u>94,934</u>	<u>(2)</u>
<b>EXPENDITURES:</b>				
Public works	75,000	94,936	94,934	2
<b>Total expenditures</b>	<u>75,000</u>	<u>94,936</u>	<u>94,934</u>	<u>2</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 321,586	\$ 580,403	\$ 368,847	\$ (211,556)
<b>Total revenues</b>	<u>321,586</u>	<u>580,403</u>	<u>368,847</u>	<u>(211,556)</u>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	112,555	122,821	140,484	(17,663)
Capital outlay	219,031	467,582	228,363	239,219
<b>Total expenditures</b>	<u>331,586</u>	<u>590,403</u>	<u>368,847</u>	<u>221,556</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	10,000	-
<b>Total other financing sources (uses)</b>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>10,000</u>	<u>\$ 10,000</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ 10,000</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**State Park Bonds Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 853,985	\$ 953,985	\$ 10,111	\$ (943,874)
<b>Total revenues</b>	<u>853,985</u>	<u>953,985</u>	<u>10,111</u>	<u>(943,874)</u>
<b>EXPENDITURES:</b>				
Capital outlay	853,985	953,985	10,111	943,874
<b>Total expenditures</b>	<u>853,985</u>	<u>953,985</u>	<u>10,111</u>	<u>943,874</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Downtown Economic Loan Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 500	\$ 569	\$ 69
<b>Total revenues</b>	<u>-</u>	<u>500</u>	<u>569</u>	<u>69</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
<b>Total other financing sources (uses)</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (10,000)</u>	<u>\$ (9,500)</u>	(9,431)	<u>\$ 69</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>22,135</u>	
End of year			<u>\$ 12,704</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Disaster Relief Special Revenue Fund**  
**For the year ended June 30, 2006**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>9,368</u>	
End of year			<u>\$ 9,368</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal ISTEA Program Special Revenue Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 139,509	\$ 135,563	\$ 10,950	\$ (124,613)
<b>Total revenues</b>	<u>139,509</u>	<u>135,563</u>	<u>10,950</u>	<u>(124,613)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	(3,946)	10,950	(14,896)
Capital outlay	139,509	139,509	-	139,509
<b>Total expenditures</b>	<u>139,509</u>	<u>135,563</u>	<u>10,950</u>	<u>124,613</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

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## NON-MAJOR DEBT SERVICE FUNDS

*Debt Service Funds* account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

### 2003 COPs

This fund accounts for the accumulation of resources and payment of principal and interest on debt issued on April 1, 2003 to construct a golf course and refund the 1991 Certificates of Participation.

### 2004 COPs

This fund accounts for the accumulation of resources and payment of principal and interest on debt issued on December 1, 2004 to refund the Pleasanton Joint Powers Financing Authority 1994 Series B Refunding Lease Revenue Bonds.

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Debt Service Funds**  
**June 30, 2006**

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	2003 COPs	2004 COPs	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Restricted cash and investments	\$ 290	\$ 410,805	\$ 411,095
<b>Total assets</b>	<u>\$ 290</u>	<u>\$ 410,805</u>	<u>\$ 411,095</u>
<b>FUND BALANCES</b>			
Reserved for debt service	\$ 290	\$ 410,805	\$ 411,095
<b>Total fund balances</b>	<u>\$ 290</u>	<u>\$ 410,805</u>	<u>\$ 411,095</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**For the year ended June 30, 2006**

	2003 COPs	2004 COPs	Total
<b>REVENUES:</b>			
Use of money and property	\$ 997	\$ 14,223	\$ 15,220
<b>Total operating revenues</b>	<u>997</u>	<u>14,223</u>	<u>15,220</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal	845,000	485,000	1,330,000
Interest	1,141,115	98,775	1,239,890
<b>Total expenditures</b>	<u>1,986,115</u>	<u>583,775</u>	<u>2,569,890</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,985,118)</u>	<u>(569,552)</u>	<u>(2,554,670)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,985,333	559,397	2,544,730
<b>Total other financing sources (uses)</b>	<u>1,985,333</u>	<u>559,397</u>	<u>2,544,730</u>
<b>Net change in fund balances</b>	215	(10,155)	(9,940)
<b>FUND BALANCES:</b>			
Beginning of year	<u>75</u>	<u>420,960</u>	<u>421,035</u>
End of year	<u>\$ 290</u>	<u>\$ 410,805</u>	<u>\$ 411,095</u>

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2003 COPs Debt Service Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 707	\$ 997	\$ 290
<b>Total revenues</b>	<u>-</u>	<u>707</u>	<u>997</u>	<u>290</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	845,000	845,000	845,000	-
Interest, fiscal charges	1,141,115	1,141,115	1,141,115	-
<b>Total expenditures</b>	<u>1,986,115</u>	<u>1,986,115</u>	<u>1,986,115</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,986,115)</u>	<u>(1,985,408)</u>	<u>(1,985,118)</u>	<u>290</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,986,115	1,986,115	1,985,333	(782)
<b>Total other financing sources (uses)</b>	<u>1,986,115</u>	<u>1,986,115</u>	<u>1,985,333</u>	<u>(782)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 707</u>	215	<u>\$ (492)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>75</u>	
End of year			<u>\$ 290</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2004 COPs Debt Service Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 13,000	\$ 14,223	\$ 1,223
<b>Total revenues</b>	<u>-</u>	<u>13,000</u>	<u>14,223</u>	<u>1,223</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	-	485,000	485,000	-
Interest, fiscal charges	-	98,775	98,775	-
<b>Total expenditures</b>	<u>-</u>	<u>583,775</u>	<u>583,775</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(570,775)</u>	<u>(569,552)</u>	<u>1,223</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	583,775	559,397	(24,378)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>583,775</u>	<u>559,397</u>	<u>(24,378)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>(10,155)</u>	<u>\$ (23,155)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>420,960</u>	
End of year			<u>\$ 410,805</u>	

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## 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.

### **Miscellaneous Capital Improvement Program**

This fund 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.

### **Capital Improvements**

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.

### **Neighborhood 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/street improvements.

### **Street In-Lieu**

This fund receives revenues from developers of properties and the funds may only be used for street improvements relating to their developments.

### **Vineyard Corridor**

This fund was established in fiscal year 02-03. The purpose of the fund is to offset risk for the City and the Pleasanton Unified School District during the construction of Vineyard Avenue.

### **Landscape Maintenance North Pleasanton Improvement District**

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

### **Traffic Impact Fund - Bernal Property**

This fund was set up in 2000-01. A percentage of the traffic impact fees collected from developers are 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.

## NON-MAJOR CAPITAL PROJECTS FUNDS, Continued

### **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.

### **Mutual Benefits District**

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

### **Park Capital Improvement Program**

This fund accounts for the construction, reconstruction and maintenance of City parks as adopted in the annual parks capital improvement programs.

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**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2006**

	Miscellaneous Capital Improvement Program	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
<b>ASSETS</b>						
Cash and investments	\$ 14,656,238	\$ 3,557,532	\$ 4,352,616	\$ 6,940,829	\$ 2,589,576	\$ -
Receivables:						
Accounts	-	-	-	487,035	-	500
Interest	143,265	41,065	45,886	76,692	27,963	-
<b>Total assets</b>	<b>\$ 14,799,503</b>	<b>\$ 3,598,597</b>	<b>\$ 4,398,502</b>	<b>\$ 7,504,556</b>	<b>\$ 2,617,539</b>	<b>\$ 500</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 140,667	\$ -	\$ 19,230	\$ 23,230	\$ 1,189	\$ -
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>140,667</b>	<b>-</b>	<b>19,230</b>	<b>23,230</b>	<b>1,189</b>	<b>-</b>
<b>Fund Balances:</b>						
Unreserved, designated for capital projects	14,658,836	3,598,597	4,379,272	7,481,326	2,616,350	500
<b>Total fund balances</b>	<b>14,658,836</b>	<b>3,598,597</b>	<b>4,379,272</b>	<b>7,481,326</b>	<b>2,616,350</b>	<b>500</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,799,503</b>	<b>\$ 3,598,597</b>	<b>\$ 4,398,502</b>	<b>\$ 7,504,556</b>	<b>\$ 2,617,539</b>	<b>\$ 500</b>

Vineyard Corridor	Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ 2,000,000	\$ 1,175,678	\$ 908,984	\$ 11,249,160	\$ 2,262,987	\$ 226,337	\$ 256,743	\$ 11,960,976	\$ 62,137,656
-	-	-	200,685	-	6,503	-	1,260	695,983
-	12,975	9,980	125,480	17,326	6,133	-	112,588	619,353
<u>\$ 2,000,000</u>	<u>\$ 1,188,653</u>	<u>\$ 918,964</u>	<u>\$ 11,575,325</u>	<u>\$ 2,280,313</u>	<u>\$ 238,973</u>	<u>\$ 256,743</u>	<u>\$ 12,074,824</u>	<u>\$ 63,452,992</u>

\$ -	\$ 5,931	\$ -	\$ 99,024	\$ -	\$ -	\$ -	\$ 64,286	\$ 353,557
-	-	-	-	-	-	256,743	-	256,743
-	5,931	-	99,024	-	-	256,743	64,286	610,300

2,000,000	1,182,722	918,964	11,476,301	2,280,313	238,973	-	12,010,538	62,842,692
2,000,000	1,182,722	918,964	11,476,301	2,280,313	238,973	-	12,010,538	62,842,692
<u>\$ 2,000,000</u>	<u>\$ 1,188,653</u>	<u>\$ 918,964</u>	<u>\$ 11,575,325</u>	<u>\$ 2,280,313</u>	<u>\$ 238,973</u>	<u>\$ 256,743</u>	<u>\$ 12,074,824</u>	<u>\$ 63,452,992</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Project Funds**  
**For the year ended June 30, 2006**

	Miscellaneous Capital Improvement Program	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
<b>REVENUES:</b>						
Use of money and property	\$ 314,021	\$ 89,449	\$ 82,042	\$ 175,302	\$ 58,177	\$ -
Intergovernmental	-	-	-	-	-	-
Development fees	-	615,545	1,018,464	185,250	586,487	-
Reimbursements	33,280	62,250	-	676,810	63,332	-
Contributions and donations	-	-	-	196,201	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<b>347,301</b>	<b>767,244</b>	<b>1,100,506</b>	<b>1,233,563</b>	<b>707,996</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
Public works	-	-	-	-	-	-
Community activities	4,258	1,567	-	-	-	-
Capital outlay	518,748	29,764	648,491	484,955	2,723	-
<b>Total expenditures</b>	<b>523,006</b>	<b>31,331</b>	<b>648,491</b>	<b>484,955</b>	<b>2,723</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(175,705)</b>	<b>735,913</b>	<b>452,015</b>	<b>748,608</b>	<b>705,273</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	3,000,000	-	310,000	-	-	-
Transfers out	(1,323,825)	(500,478)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,676,175</b>	<b>(500,478)</b>	<b>310,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,500,470</b>	<b>235,435</b>	<b>762,015</b>	<b>748,608</b>	<b>705,273</b>	<b>-</b>
<b>FUND BALANCES:</b>						
Beginning of year	13,158,366	3,363,162	3,617,257	6,732,718	1,911,077	500
End of year	\$ 14,658,836	\$ 3,598,597	\$ 4,379,272	\$ 7,481,326	\$ 2,616,350	\$ 500

Vineyard Corridor	Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ -	\$ 29,250	\$ 22,474	\$ 266,861	\$ 87,012	\$ 18,270	\$ -	\$ 263,417	\$ 1,406,275
-	-	-	-	-	-	-	157,976	157,976
-	-	33,709	-	-	61,477	-	-	2,500,932
-	-	-	-	-	-	-	-	835,672
-	-	-	3,171,282	-	-	-	-	3,367,483
-	-	-	265,365	-	-	-	-	265,365
-	29,250	56,183	3,703,508	87,012	79,747	-	421,393	8,533,703
-	-	-	-	10,961	-	-	-	10,961
-	35,642	-	-	-	-	-	-	41,467
-	10,567	2,333	1,325,297	-	500,000	-	195,372	3,718,250
-	46,209	2,333	1,325,297	10,961	500,000	-	195,372	3,770,678
-	(16,959)	53,850	2,378,211	76,051	(420,253)	-	226,021	4,763,025
-	-	-	-	-	-	-	2,561,914	5,871,914
-	-	-	-	-	-	-	(3,006,697)	(4,831,000)
-	-	-	-	-	-	-	(444,783)	1,040,914
-	(16,959)	53,850	2,378,211	76,051	(420,253)	-	(218,762)	5,803,939
2,000,000	1,199,681	865,114	9,098,090	2,204,262	659,226	-	12,229,300	57,038,753
\$ 2,000,000	\$ 1,182,722	\$ 918,964	\$ 11,476,301	\$ 2,280,313	\$ 238,973	\$ -	\$ 12,010,538	\$ 62,842,692

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 80,000	\$ 240,000	\$ 314,021	\$ 74,021
Intergovernmental	3,490	3,490	-	(3,490)
Reimbursements	50,000	33,280	33,280	-
<b>Total revenues</b>	<u>133,490</u>	<u>276,770</u>	<u>347,301</u>	<u>70,531</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	336,561	336,561	4,258	332,303
Capital outlay	15,493,067	14,464,133	518,748	13,945,385
<b>Total expenditures</b>	<u>15,829,628</u>	<u>14,800,694</u>	<u>523,006</u>	<u>14,277,688</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,696,138)</u>	<u>(14,523,924)</u>	<u>(175,705)</u>	<u>14,348,219</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,000,000	3,000,000	3,000,000	-
Transfers out	(314,416)	(1,343,350)	(1,323,825)	19,525
<b>Total other financing sources (uses)</b>	<u>2,685,584</u>	<u>1,656,650</u>	<u>1,676,175</u>	<u>19,525</u>
<b>Net change in fund balances</b>	<u>\$ (13,010,554)</u>	<u>\$ (12,867,274)</u>	1,500,470	<u>\$ 14,367,744</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>13,158,366</u>	
End of year			<u>\$ 14,658,836</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 42,000	\$ 66,000	\$ 89,449	\$ 23,449
Intergovernmental	-	-	-	-
Development fees	1,121,549	426,326	615,545	189,219
Other revenues	-	62,250	62,250	-
<b>Total revenues</b>	<b>1,163,549</b>	<b>554,576</b>	<b>767,244</b>	<b>212,668</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	(5,382)	-	1,567	(1,567)
Capital outlay	2,685,139	2,563,003	29,764	2,533,239
<b>Total expenditures</b>	<b>2,679,757</b>	<b>2,563,003</b>	<b>31,331</b>	<b>2,531,672</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(388,604)	(505,359)	(500,478)	4,881
<b>Total other financing sources (uses)</b>	<b>(388,604)</b>	<b>(505,359)</b>	<b>(500,478)</b>	<b>4,881</b>
<b>Net change in fund balances</b>	<b>\$ (1,904,812)</b>	<b>\$ (2,513,786)</b>	<b>235,435</b>	<b>\$ 2,749,221</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,363,162	
End of year			<b>\$ 3,598,597</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Neighborhood Park Development Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 51,000	\$ 58,000	\$ 82,042	\$ 24,042
Development fees	1,357,147	785,496	1,018,464	232,968
<b>Total revenues</b>	<u>1,408,147</u>	<u>843,496</u>	<u>1,100,506</u>	<u>257,010</u>
<b>EXPENDITURES:</b>				
Capital outlay	3,757,663	3,757,663	648,491	3,109,172
<b>Total expenditures</b>	<u>3,757,663</u>	<u>3,757,663</u>	<u>648,491</u>	<u>3,109,172</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,349,516)</u>	<u>(2,914,167)</u>	<u>452,015</u>	<u>3,366,182</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	310,000	310,000	310,000	-
<b>Total other financing sources (uses)</b>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (2,039,516)</u>	<u>\$ (2,604,167)</u>	<u>762,015</u>	<u>\$ 3,366,182</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,617,257</u>	
End of year			<u>\$ 4,379,272</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Street Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 85,000	\$ 130,000	\$ 175,302	\$ 45,302
Development fees	50,000	135,750	185,250	49,500
Contributions and donations	-	196,201	196,201	
Other revenues	25,681	294,139	676,810	382,671
<b>Total revenues</b>	<u>160,681</u>	<u>756,090</u>	<u>1,233,563</u>	<u>477,473</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	(64,301)	(64,301)	-	(64,301)
Capital outlay	6,720,796	6,946,658	484,955	6,461,703
<b>Total expenditures</b>	<u>6,656,495</u>	<u>6,882,357</u>	<u>484,955</u>	<u>6,397,402</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,495,814)</u>	<u>(6,126,267)</u>	<u>748,608</u>	<u>6,874,875</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	211,250	211,250	-	(211,250)
<b>Total other financing sources (uses)</b>	<u>211,250</u>	<u>211,250</u>	<u>-</u>	<u>(211,250)</u>
<b>Net change in fund balances</b>	<u>\$ (6,284,564)</u>	<u>\$ (5,915,017)</u>	<u>748,608</u>	<u>\$ 6,663,625</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>6,732,718</u>	
End of year			<u>\$ 7,481,326</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 20,000	\$ 45,000	\$ 58,177	\$ 13,177
Development fees	414,662	369,474	586,487	217,013
Other	-	63,332	63,332	-
<b>Total revenues</b>	<u>434,662</u>	<u>477,806</u>	<u>707,996</u>	<u>230,190</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	797,866	797,866	2,723	795,143
<b>Total expenditures</b>	<u>797,866</u>	<u>797,866</u>	<u>2,723</u>	<u>795,143</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(363,204)</u>	<u>(320,060)</u>	<u>705,273</u>	<u>1,025,333</u>
<b>Net change in fund balances</b>	<u>\$ (363,204)</u>	<u>\$ (320,060)</u>	<u>705,273</u>	<u>\$ 1,025,333</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,911,077</u>	
End of year			<u>\$ 2,616,350</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Street In-Lieu Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
<b>FUND BALANCES:</b>				
Beginning of year			500	
End of year			\$ 500	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Vineyard Corridor Capital Projects Fund**  
**For the year ended June 30, 2006**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES:</b>				
Capital Outlay	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000
<b>Total expenditures</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
<b>Net change in fund balances</b>	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>-</u>	<u>\$ 2,000,000</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,000,000</u>	
End of year			<u>\$ 2,000,000</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance N.P.I.D. Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 22,000	\$ 29,250	\$ 7,250
<b>Total revenues</b>	<u>-</u>	<u>22,000</u>	<u>29,250</u>	<u>7,250</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	1,021,899	1,178,948	35,642	1,143,306
Capital outlay	52,796	52,796	10,567	42,229
<b>Total expenditures</b>	<u>1,074,695</u>	<u>1,231,744</u>	<u>46,209</u>	<u>1,185,535</u>
<b>Net change in fund balances</b>	<u>\$ (1,074,695)</u>	<u>\$ (1,209,744)</u>	(16,959)	<u>\$ 1,192,785</u>
<b>FUND BALANCES:</b>				
Beginning of year			1,199,681	
End of year			<u>\$ 1,182,722</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact - Bernal Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 22,474	\$ 22,474
Development fees	300,000	33,709	33,709	-
<b>Total revenues</b>	<u>300,000</u>	<u>33,709</u>	<u>56,183</u>	<u>22,474</u>
<b>EXPENDITURES:</b>				
Capital Outlay	668,372	906,057	2,333	903,724
<b>Total expenditures</b>	<u>668,372</u>	<u>906,057</u>	<u>2,333</u>	<u>903,724</u>
<b>Net change in fund balances</b>	<u>\$ (368,372)</u>	<u>\$ (872,348)</u>	53,850	<u>\$ 926,198</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>865,114</u>	
End of year			<u>\$ 918,964</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Budgeted Developer Projects Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 266,861	\$ 266,861
Contributions and donations	400,000	468,848	3,171,282	2,702,434
Other	-	-	265,365	265,365
<b>Total revenues</b>	<u>400,000</u>	<u>468,848</u>	<u>3,703,508</u>	<u>3,234,660</u>
<b>EXPENDITURES:</b>				
Capital outlay	4,828,812	5,134,652	1,325,297	3,809,355
<b>Total expenditures</b>	<u>4,828,812</u>	<u>5,134,652</u>	<u>1,325,297</u>	<u>3,809,355</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(211,250)	(211,250)	-	211,250
<b>Total other financing sources (uses)</b>	(211,250)	(211,250)	-	211,250
<b>Net change in fund balances</b>	<u>\$ (4,640,062)</u>	<u>\$ (4,877,054)</u>	2,378,211	<u>\$ 7,255,265</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>9,098,090</u>	
End of year			<u>\$ 11,476,301</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Assessment District Construction Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 42,000	\$ 87,012	\$ 45,012
<b>Total revenues</b>	<u>10,000</u>	<u>42,000</u>	<u>87,012</u>	<u>45,012</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,432,744	1,432,284	10,961	1,421,323
<b>Total expenditures</b>	<u>1,432,744</u>	<u>1,432,284</u>	<u>10,961</u>	<u>1,421,323</u>
<b>Net change in fund balances</b>	<u>\$ (1,422,744)</u>	<u>\$ (1,390,284)</u>	76,051	<u>\$ 1,466,335</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,204,262</u>	
End of year			<u>\$ 2,280,313</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Tri-Valley Transportation Capital Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 20,000	\$ 20,000	\$ 18,270	\$ (1,730)
Development fees	122,809	43,957	61,477	17,520
<b>Total revenues</b>	<u>142,809</u>	<u>63,957</u>	<u>79,747</u>	<u>15,790</u>
<b>EXPENDITURES:</b>				
Capital outlay	904,749	807,354	500,000	307,354
<b>Total expenditures</b>	<u>904,749</u>	<u>807,354</u>	<u>500,000</u>	<u>307,354</u>
<b>Net change in fund balances</b>	<u>\$ (761,940)</u>	<u>\$ (743,397)</u>	(420,253)	<u>\$ 323,144</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>659,226</u>	
End of year			<u>\$ 238,973</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Park Capital Improvement Projects Fund**  
**For the year ended June 30, 2006**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 122,000	\$ 195,000	\$ 263,417	\$ 68,417
Intergovernmental	155,976	157,976	157,976	-
Contributions and donations	260,000	310,000	-	(310,000)
<b>Total revenues</b>	<u>537,976</u>	<u>662,976</u>	<u>421,393</u>	<u>(241,583)</u>
<b>EXPENDITURES:</b>				
Capital outlay	14,481,797	12,384,244	195,372	12,188,872
<b>Total expenditures</b>	<u>14,481,797</u>	<u>12,384,244</u>	<u>195,372</u>	<u>12,188,872</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,943,821)</u>	<u>(11,721,268)</u>	<u>226,021</u>	<u>11,947,289</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,000,000	2,561,914	2,561,914	-
Transfers out	-	(3,006,697)	(3,006,697)	-
<b>Total other financing sources (uses)</b>	<u>2,000,000</u>	<u>(444,783)</u>	<u>(444,783)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (11,943,821)</u>	<u>\$ (12,166,051)</u>	<u>(218,762)</u>	<u>\$ 11,947,289</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>12,229,300</u>	
End of year			<u>\$ 12,010,538</u>	

## 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 sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

### **Storm Drain**

The revenue source for this fund is the urban runoff annual assessment fee levied on property owners since 1992-93. The expenses relate to a federally mandated program to reduce pollutants to the bay.

### **Pleasanton 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 Assets**  
**Non-Major Enterprise Funds**  
**June 30, 2006**

	Transit	Storm Drains	Pleasanton Housing Authority	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,969	\$ 1,167,283	\$ 329,586	\$ 1,500,838
Receivables (net):				
Accounts	-	3,989	-	3,989
Interest	-	13,414	-	13,414
Total current assets	<u>3,969</u>	<u>1,184,686</u>	<u>329,586</u>	<u>1,518,241</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	280,003	51,750	331,753
Depreciable	21,220	21,683,710	501,099	22,206,029
Total noncurrent assets	<u>21,220</u>	<u>21,963,713</u>	<u>552,849</u>	<u>22,537,782</u>
<b>Total assets</b>	<u>25,189</u>	<u>23,148,399</u>	<u>882,435</u>	<u>24,056,023</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	4,803	14,923	19,726
Payroll payable	-	9,616	-	9,616
Interest payable	-	-	15,906	15,906
Refundable deposits	-	-	10,935	10,935
Deferred revenue	3,416	-	150,701	154,117
Notes payable - current portion	-	-	42,295	42,295
Total current liabilities	<u>3,416</u>	<u>14,419</u>	<u>234,760</u>	<u>252,595</u>
Noncurrent liabilities:				
Notes payable	-	-	319,204	319,204
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>319,204</u>	<u>319,204</u>
<b>Total liabilities</b>	<u>3,416</u>	<u>14,419</u>	<u>553,964</u>	<u>571,799</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	21,220	21,963,713	191,350	22,176,283
Unrestricted	553	1,170,267	137,121	1,307,941
<b>Total net assets</b>	<u>\$ 21,773</u>	<u>\$ 23,133,980</u>	<u>\$ 328,471</u>	<u>\$ 23,484,224</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Change in Fund Net Assets**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2006**

	Transit	Storm Drains	Pleasanton Housing Authority	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 38,740	\$ 496,452	\$ 231,478	\$ 766,670
Miscellaneous	139,155	144,376	303,746	587,277
<b>Total operating revenues</b>	<u>177,895</u>	<u>640,828</u>	<u>535,224</u>	<u>1,353,947</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	472,735	427,814	74,834	975,383
Repairs and maintenance	885	18,312	53,794	72,991
Materials, supplies, and services	31,685	330,210	116,631	478,526
Depreciation	13,508	775,609	76,305	865,422
<b>Total operating expenses</b>	<u>518,813</u>	<u>1,551,945</u>	<u>321,564</u>	<u>2,392,322</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(340,918)</u>	<u>(911,117)</u>	<u>213,660</u>	<u>(1,038,375)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	-	30,628	2,561	33,189
Interest expense	-	-	(22,182)	(22,182)
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>30,628</u>	<u>(19,621)</u>	<u>11,007</u>
<b>Net income (loss) before contributions and transfers</b>	<u>(340,918)</u>	<u>(880,489)</u>	<u>194,039</u>	<u>(1,027,368)</u>
Capital contributions	-	3,470,388	-	3,470,388
Transfers in	327,411	100,000	-	427,411
<b>Change in net assets</b>	<u>(13,507)</u>	<u>2,689,899</u>	<u>194,039</u>	<u>2,870,431</u>
<b>NET ASSETS:</b>				
Beginning of year	35,280	20,444,081	134,432	20,613,793
End of year	<u>\$ 21,773</u>	<u>\$ 23,133,980</u>	<u>\$ 328,471</u>	<u>\$ 23,484,224</u>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2006**

	Transit	Storm Drain	Pleasanton Housing Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customers	\$ 40,399	\$ 496,923	\$ 72,862	\$ 610,184
Cash payment to suppliers for goods and services	(32,570)	(348,382)	(169,466)	(550,418)
Cash payment to employees for services	(472,735)	(426,687)	(74,834)	(974,256)
Miscellaneous revenue	139,155	144,376	303,746	587,277
<b>Net cash provided (used) by operating activities</b>	<b>(325,751)</b>	<b>(133,770)</b>	<b>132,308</b>	<b>(327,213)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer in	327,411	100,000	-	427,411
<b>Net cash provided (used) by noncapital financing activities</b>	<b>327,411</b>	<b>100,000</b>	<b>-</b>	<b>427,411</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payments on long-term debt	-	-	(39,675)	(39,675)
Interest payment	-	-	(26,738)	(26,738)
Net change in capital assets	-	(169,172)	(215,376)	(384,548)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>(169,172)</b>	<b>(281,789)</b>	<b>(450,961)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	-	31,098	2,865	33,963
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>31,098</b>	<b>2,865</b>	<b>33,963</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,660</b>	<b>(171,844)</b>	<b>(146,616)</b>	<b>(316,800)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	2,309	1,339,127	476,202	1,817,638
End of year	<u>\$ 3,969</u>	<u>\$ 1,167,283</u>	<u>\$ 329,586</u>	<u>\$ 1,500,838</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (340,918)	\$ (911,117)	\$ 213,660	\$ (1,038,375)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	13,508	775,609	76,305	865,422
Decrease (increase) in:				
Accounts receivable	-	471	-	471
Increase (decrease) in:				
Accounts payable	-	140	959	1,099
Accrued payroll	-	1,127	-	1,127
Deferred revenue	1,659	-	(158,510)	(156,851)
Refundable deposits	-	-	(106)	(106)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (325,751)</b>	<b>\$ (133,770)</b>	<b>\$ 132,308</b>	<b>\$ (327,213)</b>



## 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 all employee benefit costs including accrued unused employee vacation leave, employees' retirement, medical, dental, life insurance and long-term disability costs. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers compensation benefits.

### **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**

The replacement fund charges various user departments based on usage of equipment, vehicles, and facilities and uses the money to replace or renovate these items.

### **Livermore/Pleasanton Fire Retirees Insurance Reserve**

This fund is establishing reserves for future medical insurance obligations for retirees from the Livermore/Pleasanton fire department.

### **Self Insurance Retention**

This fund pays insurance premiums and claims that fall under the City's various limits.

### **Retirees Insurance Reserve**

This fund is establishing reserves for future medical insurance obligations for retirees.

**City of Pleasanton**  
**Combining Balance Sheet**  
**Internal Services Funds**  
**June 30, 2006**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 10,170,605	\$ 211,763	\$ 21,583,995	\$ 9,251,082
Accounts receivable	-	-	-	-
Interest receivable	105,907	2,339	239,068	99,521
Total current assets	<u>10,276,512</u>	<u>214,102</u>	<u>21,823,063</u>	<u>9,350,603</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	295,055	-
Depreciable	-	-	8,594,350	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>8,889,405</u>	<u>-</u>
<b>Total assets</b>	<u>10,276,512</u>	<u>214,102</u>	<u>30,712,468</u>	<u>9,350,603</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	590,359	-	90,815	1,295
Payroll payable	57,066	-	-	-
Accrued compensated absences	624,994	-	-	-
Claims payable	1,112,923	-	-	-
Total current liabilities	<u>2,385,342</u>	<u>-</u>	<u>90,815</u>	<u>1,295</u>
Noncurrent liabilities:				
Accrued compensated absences	3,561,291	-	-	-
Claims payable	1,181,358	-	-	-
Total noncurrent liabilities	<u>4,742,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>7,127,991</u>	<u>-</u>	<u>90,815</u>	<u>1,295</u>
<b>NET ASSETS</b>				
Investment in capital assets, net of related debt	-	-	8,889,405	-
Unrestricted	3,148,521	214,102	21,732,248	9,349,308
<b>Total net assets</b>	<u>\$ 3,148,521</u>	<u>\$ 214,102</u>	<u>\$ 30,621,653</u>	<u>\$ 9,349,308</u>

Self Insurance Retention	Retiree Insurance Reserve	Total
\$ 9,620,502	\$ 21,762,526	\$ 72,600,473
344	-	344
95,474	234,487	776,796
<u>9,716,320</u>	<u>21,997,013</u>	<u>73,377,613</u>
-	-	295,055
-	-	8,594,350
-	-	8,889,405
<u>9,716,320</u>	<u>21,997,013</u>	<u>82,267,018</u>
29,553	11,899	723,921
-	-	57,066
-	-	624,994
315,586	-	1,428,509
<u>345,139</u>	<u>11,899</u>	<u>2,834,490</u>
-	-	3,561,291
124,647	-	1,306,005
124,647	-	4,867,296
469,786	11,899	7,701,786
-	-	8,889,405
<u>9,246,534</u>	<u>21,985,114</u>	<u>65,675,827</u>
<u>\$ 9,246,534</u>	<u>\$ 21,985,114</u>	<u>\$ 74,565,232</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Internal Services Funds**  
**For the year ended June 30, 2006**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 21,720,015	\$ 50,000	\$ 3,458,399	\$ 1,200,000
Miscellaneous	52,844	40,000	46,706	-
<b>Total operating revenues</b>	<b>21,772,859</b>	<b>90,000</b>	<b>3,505,105</b>	<b>1,200,000</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	20,228,670	-	-	214,202
Materials, supplies, and services	2,160,605	47,129	2,018,215	-
Depreciation and amortization	-	-	1,452,130	-
<b>Total operating expenses</b>	<b>22,389,275</b>	<b>47,129</b>	<b>3,470,345</b>	<b>214,202</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(616,416)</b>	<b>42,871</b>	<b>34,760</b>	<b>985,798</b>
<b>NONOPERATING REVENUES/EXPENSES:</b>				
Interest income	224,103	5,143	503,085	213,654
Gain (loss) from disposal of fixed assets	-	-	(10,254)	-
<b>Total nonoperating revenues (expenses)</b>	<b>224,103</b>	<b>5,143</b>	<b>492,831</b>	<b>213,654</b>
<b>Income before Transfers out</b>	<b>(392,313)</b>	<b>48,014</b>	<b>527,591</b>	<b>1,199,452</b>
Transfers in	-	-	3,006,697	-
<b>Change in net assets</b>	<b>(392,313)</b>	<b>48,014</b>	<b>3,534,288</b>	<b>1,199,452</b>
<b>NET ASSETS:</b>				
Beginning of year	3,540,834	166,088	27,087,365	8,149,856
End of year	<b>\$ 3,148,521</b>	<b>\$ 214,102</b>	<b>\$ 30,621,653</b>	<b>\$ 9,349,308</b>

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,000,000	\$ 2,700,000	\$ 30,128,414
9,217	-	148,767
<u>1,009,217</u>	<u>2,700,000</u>	<u>30,277,181</u>
-	684,863	21,127,735
1,001,489	4,950	5,232,388
-	-	1,452,130
<u>1,001,489</u>	<u>689,813</u>	<u>27,812,253</u>
<u>7,728</u>	<u>2,010,187</u>	<u>2,464,928</u>
221,182	505,003	1,672,170
-	-	(10,254)
<u>221,182</u>	<u>505,003</u>	<u>1,661,916</u>
228,910	2,515,190	4,126,844
-	-	3,006,697
<u>228,910</u>	<u>2,515,190</u>	<u>7,133,541</u>
9,017,624	19,469,924	67,431,691
<u>\$ 9,246,534</u>	<u>\$ 21,985,114</u>	<u>\$ 74,565,232</u>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Internal Services Funds**  
**For the year ended June 30, 2006**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customer/other funds	\$ 21,720,015	\$ 50,000	\$ 3,474,693	\$ 1,200,000
Cash payment to suppliers for goods and services	(1,500,193)	(48,935)	(1,970,418)	736
Cash payment to employees for services	(19,887,652)	-	-	(214,202)
Miscellaneous revenue	52,844	40,000	46,706	-
<b>Net cash provided (used) by operating activities</b>	<b>385,014</b>	<b>41,065</b>	<b>1,550,981</b>	<b>986,534</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Transfer out	-	-	3,006,697	-
Net change in capital assets	-	-	(1,069,575)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>1,937,122</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	207,892	4,426	439,972	191,541
<b>Net cash provided (used) by investing activities</b>	<b>207,892</b>	<b>4,426</b>	<b>439,972</b>	<b>191,541</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>592,906</b>	<b>45,491</b>	<b>3,928,075</b>	<b>1,178,075</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	9,577,699	166,272	17,655,920	8,073,007
End of year	<u>\$ 10,170,605</u>	<u>\$ 211,763</u>	<u>\$ 21,583,995</u>	<u>\$ 9,251,082</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (616,416)	\$ 42,871	\$ 34,760	\$ 985,798
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,452,130	-
Decrease (increase) in:				
Accounts receivable	-	-	16,294	-
Increase (decrease) in:				
Accounts payable	142,447	(1,806)	47,797	736
Payroll payable	53,240	-	-	-
Accrued compensated absences	287,778	-	-	-
Claims payable	517,965	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 385,014</b>	<b>\$ 41,065</b>	<b>\$ 1,550,981</b>	<b>\$ 986,534</b>

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 999,656	\$ 2,700,000	\$ 3,014,364
(912,112)	195	(4,430,727)
-	(684,863)	(20,786,717)
9,217	-	148,767
<u>96,761</u>	<u>2,015,332</u>	<u>5,075,687</u>
-	-	3,006,697
-	-	(1,069,575)
-	-	<u>1,937,122</u>
210,175	456,526	1,510,532
<u>210,175</u>	<u>456,526</u>	<u>1,510,532</u>
306,936	2,471,858	8,523,341
9,313,566	19,290,668	64,077,132
<u>\$ 9,620,502</u>	<u>\$ 21,762,526</u>	<u>\$ 72,600,473</u>
\$ 7,728	\$ 2,010,187	\$ 2,464,928
-	-	1,452,130
(344)	-	15,950
(11,373)	5,145	182,946
-	-	53,240
-	-	287,778
100,750	-	618,715
<u>\$ 96,761</u>	<u>\$ 2,015,332</u>	<u>\$ 5,075,687</u>

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## AGENCY FUNDS

*Agency Funds* account for assets held by the City as agent for individuals, private organizations, other governmental units, or other funds. Assets equal liabilities and the measurement of operations is not a focus.

### **Employee Insurance Agency**

This fund collects money from employees and former employees and pays their share of insurance bills. Former employees have the legal right to pay their share of insurance bills for a specified 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 Agency**

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 government agencies.

### **Miscellaneous Agencies and Trusts**

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies, other people or organizations.

### **Cash Bonds Agency**

This fund collects cash bond deposits from developers and returns the money when their project is completed.

### **1915 Act Bond Interest and Redemption Agency**

This fund collects assessments placed on property owners who reside in certain assessment districts. This money is passed on to a trustee that pays holders of the assessment bonds.

### **Pleasanton Joint Powers Financing Authority**

The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the City in refinancing public capital improvements.

**City of Pleasanton**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2006**

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
<b>ASSETS</b>					
Cash and investments	\$ 40,236	\$ 33,024	\$ 26,115	\$ 740,010	\$ 1,113,952
Receivables:					
Accounts	45,934	-	-	208,083	-
Interest	-	445	-	-	-
Restricted cash and investments	-	-	-	-	-
Notes receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 86,170</b>	<b>\$ 33,469</b>	<b>\$ 26,115</b>	<b>\$ 948,093</b>	<b>\$ 1,113,952</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 86,170	\$ -	\$ -	\$ 890,670	\$ -
Due to bondholders	-	-	-	-	-
Deposits	-	33,469	26,115	57,423	1,113,952
<b>Total liabilities</b>	<b>\$ 86,170</b>	<b>\$ 33,469</b>	<b>\$ 26,115</b>	<b>\$ 948,093</b>	<b>\$ 1,113,952</b>

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1915 Act Bond Interest and Redemption	Pleasanton Joint Powers Financing Authority	Total
\$ 15,474,201	\$ -	\$ 17,427,538
92,350	-	346,367
1,668,118	-	1,668,563
-	3,852,217	3,852,217
1,683,867	-	1,683,867
<u>\$ 18,918,536</u>	<u>\$ 3,852,217</u>	<u>\$ 24,978,552</u>
\$ -	\$ -	\$ 976,840
18,918,536	3,852,217	22,770,753
-	-	1,230,959
<u>\$ 18,918,536</u>	<u>\$ 3,852,217</u>	<u>\$ 24,978,552</u>

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2006**

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<b><u>Employee Insurance Agency</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 51,602	\$ 781,570	\$ (792,936)	\$ 40,236
Accounts receivable	29,983	250,538	(234,587)	45,934
<b>Total assets</b>	<b>\$ 81,585</b>	<b>\$ 1,032,108</b>	<b>\$ (1,027,523)</b>	<b>\$ 86,170</b>
<b>Liabilities:</b>				
Accounts payable	\$ 81,585	\$ 781,570	\$ (776,985)	\$ 86,170
<b><u>Downtown Merchant Association</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 37,818	\$ 61,273	\$ (66,067)	\$ 33,024
Interest receivable	440	1,114	(1,109)	445
<b>Total assets</b>	<b>\$ 38,258</b>	<b>\$ 62,387</b>	<b>\$ (67,176)</b>	<b>\$ 33,469</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	38,258	60,542	(65,331)	33,469
<b>Total Liabilities</b>	<b>\$ 38,258</b>	<b>\$ 60,542</b>	<b>\$ (65,331)</b>	<b>\$ 33,469</b>
<b><u>Asset Forfeiture</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 47,465	\$ 39,903	\$ (61,253)	\$ 26,115
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	47,465	39,903	(61,253)	26,115
<b>Total Liabilities</b>	<b>\$ 47,465</b>	<b>\$ 39,903</b>	<b>\$ (61,253)</b>	<b>\$ 26,115</b>
<b><u>Miscellaneous Agencies and Trust</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,454,678	\$ 8,257,686	\$ (8,972,354)	\$ 740,010
Accounts receivable	11,531	207,396	(10,844)	208,083
<b>Total assets</b>	<b>\$ 1,466,209</b>	<b>\$ 8,465,082</b>	<b>\$ (8,983,198)</b>	<b>\$ 948,093</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,407,786	\$ 8,257,686	\$ (8,774,802)	\$ 890,670
Deposits	58,423	-	(1,000)	57,423
<b>Total Liabilities</b>	<b>\$ 1,466,209</b>	<b>\$ 8,257,686</b>	<b>\$ (8,775,802)</b>	<b>\$ 948,093</b>

(Continued)

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds, Continued**  
**For the year ended June 30, 2006**

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<b><u>Cash Bonds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,035,153	\$ 153,099	\$ (74,300)	\$ 1,113,952
Total assets	<u>\$ 1,035,153</u>	<u>\$ 153,099</u>	<u>\$ (74,300)</u>	<u>\$ 1,113,952</u>
<b>Liabilities:</b>				
Deposits	<u>\$ 1,035,153</u>	<u>\$ 153,099</u>	<u>\$ (74,300)</u>	<u>\$ 1,113,952</u>
<b><u>1915 Act Bond</u></b>				
<b><u>Interest and Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 16,624,183	\$ 17,789,742	\$ (18,939,724)	\$ 15,474,201
Receivables:				
Accounts	40,745	437,892	(386,287)	92,350
Interest	1,491,142	307,233	(130,257)	1,668,118
Notes	1,683,867	-	-	1,683,867
Total assets	<u>\$ 19,839,937</u>	<u>\$ 18,534,867</u>	<u>\$ (19,456,268)</u>	<u>\$ 18,918,536</u>
<b>Liabilities:</b>				
Due to Bondholders	<u>\$ 19,839,937</u>	<u>\$ 17,789,742</u>	<u>\$ (18,711,143)</u>	<u>\$ 18,918,536</u>
Total liabilities	<u>\$ 19,839,937</u>	<u>\$ 17,789,742</u>	<u>\$ (18,711,143)</u>	<u>\$ 18,918,536</u>
<b><u>Pleasanton Joint Powers</u></b>				
<b><u>Financing Authority</u></b>				
<b>Assets:</b>				
Restricted cash and investments	<u>\$ 3,942,098</u>	<u>\$ 18,610,419</u>	<u>\$ (18,700,300)</u>	<u>\$ 3,852,217</u>
<b>Liabilities:</b>				
Due to bondholders	<u>\$ 3,942,098</u>	<u>\$ 18,610,419</u>	<u>\$ (18,700,300)</u>	<u>\$ 3,852,217</u>
<b><u>Total of All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 19,250,899	\$ 27,083,273	\$ (28,906,634)	\$ 17,427,538
Receivables:				
Accounts	82,259	895,826	(631,718)	346,367
Interest	1,491,582	308,347	(131,366)	1,668,563
Restricted cash and investments	3,942,098	18,610,419	(18,700,300)	3,852,217
Notes receivables	1,683,867	-	-	1,683,867
Total assets	<u>\$ 26,450,705</u>	<u>\$ 46,897,865</u>	<u>\$ (48,370,018)</u>	<u>\$ 24,978,552</u>
<b>Liabilities:</b>				
Accounts payable	\$ 1,489,371	\$ 9,039,256	\$ (9,551,787)	\$ 976,840
Due to bondholders	23,782,035	36,400,161	(37,409,435)	22,772,761
Deposits	1,179,299	253,544	(201,884)	1,230,959
Total liabilities	<u>\$ 26,450,705</u>	<u>\$ 45,692,961</u>	<u>\$ (47,163,106)</u>	<u>\$ 24,980,560</u>

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## STATISTICAL SECTION

This part of the City of Pleasanton's Comprehensive Annual 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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<b><i>Financial Trends Information</i></b> This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	167
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<b><i>Demographic and Economic Information</i></b> This information is intended to assist users in understanding socioeconomic environment with which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.	185
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Financial Trends Information

Net Assets by Component - Last Five Fiscal Years

Changes in Net Assets - Last Five Fiscal Years

Fund Balances - Last Five Fiscal Years

Changes in Fund Balances - Last Five Fiscal Years



**City of Pleasanton**  
**Net Assets by Component**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ 219,488,950	\$ 334,851,123	\$ 372,119,378	\$ 380,390,639	\$ 376,469,051
Restricted	46,671,181	46,521,689	44,199,190	47,141,404	47,775,291
Unrestricted	82,109,173	98,162,932	105,968,078	117,261,111	132,091,752
<b>Total government activities net assets</b>	<b>348,269,304</b>	<b>479,535,744</b>	<b>522,286,646</b>	<b>544,793,154</b>	<b>556,336,094</b>
<b>Business-Type Activities</b>					
Invested in capital assets, net of related debt	135,313,592	152,081,347	164,784,413	175,189,829	183,167,289
Restricted	1,215,473	9,972,160	1,123,828	1,243,708	814,068
Unrestricted	48,753,140	58,774,393	58,750,236	54,511,151	58,875,845
<b>Total business-type activities net assets</b>	<b>185,282,205</b>	<b>220,827,900</b>	<b>224,658,477</b>	<b>230,944,688</b>	<b>242,857,202</b>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	354,802,542	486,932,470	536,903,791	555,580,468	559,636,340
Restricted	47,886,654	56,493,849	45,323,018	48,385,112	48,589,359
Unrestricted	130,862,313	156,937,325	164,718,314	171,772,262	190,967,597
<b>Total primary government activities net assets</b>	<b>\$ 533,551,509</b>	<b>\$ 700,363,644</b>	<b>\$ 746,945,123</b>	<b>\$ 775,737,842</b>	<b>\$ 799,193,296</b>

Note: FY05 net assets "Unrestricted" are restated

**City of Pleasanton**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General Government	\$ 6,363,133	\$ 9,343,400	\$ 8,892,418	\$ 8,844,298	\$ 10,142,529
Public Safety	32,534,525	32,618,740	34,392,664	39,354,201	43,286,424
Planning & Community Development	3,229,969	3,179,100	4,927,532	3,954,646	7,376,026
Public Works	25,340,545	20,549,745	26,402,176	20,522,902	26,053,044
Community Activities	14,558,585	13,468,360	15,963,151	16,483,828	17,783,181
Interest on Long-Term Debt	684,063	838,032	1,444,009	1,445,994	1,276,016
<b>Total Government Activities:</b>	<b>82,710,820</b>	<b>79,997,377</b>	<b>92,021,950</b>	<b>90,605,869</b>	<b>105,917,220</b>
<b>Business-Type Activities:</b>					
Water	14,530,381	14,370,149	15,056,432	13,057,857	15,197,789
Sewer	12,584,936	11,035,016	11,279,697	11,558,840	11,457,129
Golf	44,620	44,621	44,620	346,627	2,810,105
Transit	385,377	452,472	537,470	475,477	518,813
Storm Drain	1,171,779	1,120,130	1,280,061	1,215,224	1,288,566
Pleasanton Housing Authority	252,932	268,762	230,384	290,944	343,746
<b>Total Business-Type Activities</b>	<b>28,970,025</b>	<b>27,291,150</b>	<b>28,428,664</b>	<b>26,944,969</b>	<b>31,616,148</b>
<b>Total Primary Government Expense</b>	<b>\$ 111,680,845</b>	<b>\$ 107,288,527</b>	<b>\$ 120,450,614</b>	<b>\$ 117,550,838</b>	<b>\$ 137,533,368</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services</b>					
General Government	\$ 537,118	\$ 250,970	\$ 200,296	\$ 535,485	\$ 488,237
Public Safety	12,330,298	11,243,548	11,667,396	12,788,675	13,949,960
Planning & Community Development	637,603	575,923	740,202	1,549,543	3,194,674
Public Works	3,937,931	3,280,013	4,112,858	3,602,716	3,634,892
Community Activities	2,614,504	2,906,387	3,313,130	3,300,615	3,425,758
Operating Grants & Contributions	3,605,904	4,080,731	4,652,966	4,674,945	5,695,141
Capital Grants & Contributions	2,961,801	145,189,089	48,129,129	14,099,033	12,350,368
<b>Total Government Activities:</b>	<b>26,625,159</b>	<b>167,526,661</b>	<b>72,815,977</b>	<b>40,551,012</b>	<b>42,739,030</b>
<b>Business-Type Activities:</b>					
<b>Charges for Services</b>					
Water	15,774,127	15,044,768	15,830,842	14,723,422	15,060,402
Sewer	10,748,529	10,882,458	10,970,513	10,910,064	10,947,581
Golf	81,165	-	3,700	-	2,671,290
Transit	31,601	37,001	34,362	43,077	38,740
Storm Drain	475,591	474,926	380,271	223,505	353,976
Pleasanton Housing Authority	167,950	257,404	166,371	149,706	231,478
Operating Grants & Contributions	102,075	-	-	-	-
Capital Grants & Contributions	2,428,979	10,691,928	2,955,665	4,494,296	7,559,908
<b>Total Business-Type Activities</b>	<b>29,810,017</b>	<b>37,388,485</b>	<b>30,341,724</b>	<b>30,544,070</b>	<b>36,863,375</b>
<b>Total Primary Government Revenues</b>	<b>\$ 56,435,176</b>	<b>\$ 204,915,146</b>	<b>\$ 103,157,701</b>	<b>\$ 71,095,082</b>	<b>\$ 79,602,405</b>

**City of Pleasanton**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
Net (Expenses)/Revenue:					
Governmental Activities:	\$ (56,085,661)	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)	\$ (63,178,190)
Business-Type Activities:	839,992	10,097,335	1,913,060	3,599,101	5,247,227
Total Net (Expense)/Revenue	<u>\$ (55,245,669)</u>	<u>\$ 97,626,619</u>	<u>\$ (17,292,913)</u>	<u>\$ (46,455,756)</u>	<u>\$ (57,930,963)</u>
General Revenues & Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property taxes	\$ 29,370,379	\$ 31,203,614	\$ 33,310,777	\$ 36,670,867	\$ 41,257,246
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946	7,484,133
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692	21,029,378
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960	1,538,398
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139	1,578,689
Infrastructure maintenance contribution	2,356,100	-	-	-	-
Unrestricted investment earnings	5,136,101	5,415,548	1,553,297	4,467,829	4,230,879
Equity interest in gain from joint ventures	-	-	-	-	-
Miscellaneous	1,177,429	506,337	1,673,068	1,091,220	641,283
Interfund charges	-	742,905	170,367	1,413,457	1,322,631
Gain/(loss) on sale of capital assets	-	(161,883)	(3,592,355)	-	-
Transfers	(3,483,257)	(22,962,552)	(375,744)	(1,126,044)	(4,361,507)
Total Government Activities:	<u>63,459,671</u>	<u>44,658,915</u>	<u>61,956,874</u>	<u>71,664,066</u>	<u>74,721,130</u>
Business-Type Activities:					
Unrestricted investment earnings	1,627,169	1,592,843	400,146	1,733,994	1,109,607
Equity interest in gain from joint ventures	301,075	1,845,928	947,195	-	1,918,111
Miscellaneous	161	-	371,475	1,477,956	598,693
Interfund charges	-	(742,905)	(170,367)	(1,413,457)	(1,322,631)
Gain/(loss) on sale of capital assets	-	(210,059)	(6,676)	-	-
Transfers	3,483,257	22,962,552	375,744	1,126,044	4,361,507
Total Business-Type Activities	<u>5,411,662</u>	<u>25,448,359</u>	<u>1,917,517</u>	<u>2,924,537</u>	<u>6,665,287</u>
Total Primary Government	<u>68,871,333</u>	<u>70,107,274</u>	<u>63,874,391</u>	<u>74,588,603</u>	<u>81,386,417</u>
Change in Net Assets					
Governmental Activities:	7,374,010	132,188,198	42,750,901	21,609,209	11,542,940
Business-Type Activities:	6,251,654	35,545,695	3,830,577	6,523,638	11,912,514
Total Primary Government	<u>13,625,664</u>	<u>167,733,893</u>	<u>46,581,478</u>	<u>28,132,847</u>	<u>23,455,454</u>

**City of Pleasanton**  
**Fund Balances of Government Funds**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 1,158,165	\$ 635,649	\$ 392,835	\$ 612,602	\$ 605,264
Unreserved	15,840,457	15,097,428	18,562,212	22,010,563	23,915,653
Total General Fund	<u>16,998,622</u>	<u>15,733,077</u>	<u>18,955,047</u>	<u>22,623,165</u>	<u>24,520,917</u>
All Other Governmental Funds					
Reserved	2,465,319	4,173,006	1,928,604	421,035	411,095
Unreserved, reported in :					
Special Revenue Funds	20,112,048	15,530,639	20,702,621	22,675,830	21,886,907
Capital Projects Funds	45,769,745	58,888,011	53,976,167	57,038,753	62,842,692
Total All Other Governments Funds	<u>68,347,112</u>	<u>78,591,656</u>	<u>76,607,392</u>	<u>80,135,618</u>	<u>85,140,694</u>

**City of Pleasanton**  
**Changes in Fund Balances - Governmental Funds**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Revenues:</b>					
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234
Special Assessments	690,772	677,416	187,775	195,654	215,035
Licenses	13,273	12,876	12,050	12,906	11,709
Permits	2,011,839	1,922,531	2,401,186	2,275,465	2,031,209
Fines and Forfeitures	533,572	562,417	689,309	630,864	575,524
Use of Money & Property	3,220,285	3,796,195	1,665,186	3,519,701	2,766,468
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526	6,171,443
Franchises	1,740,281	1,489,967	1,403,790	1,465,139	1,578,689
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506	13,747,992
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045	3,685,255
Plan Check fees	1,176,506	774,429	1,126,924	924,146	1,119,904
Reimbursements	741,472	888,428	1,729,241	1,520,518	1,786,422
Contributions and Donations	309,918	721,167	6,023,264	4,091,889	3,417,226
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421	3,520,069
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010	3,318,406
	<u>91,208,127</u>	<u>102,912,106</u>	<u>107,883,681</u>	<u>108,144,201</u>	<u>113,170,585</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	7,009,811	10,285,596	9,176,425	9,333,247	10,279,430
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855	43,826,861
Planning & Community Development	3,316,758	3,482,879	5,484,984	3,611,279	7,560,598
Public Works	18,981,967	16,178,057	13,937,835	14,463,138	15,413,787
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659	16,209,390
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422	8,486,034
<b>Debt Service:</b>					
Principal	1,185,000	4,695,000	1,325,000	755,000	1,330,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714	1,239,890
Total Expenditures	<u>86,708,271</u>	<u>99,420,978</u>	<u>107,097,847</u>	<u>99,877,314</u>	<u>104,345,990</u>
Excess/(Deficiency of Revenues					
Over/(Under) Expenditures	<u>4,499,856</u>	<u>3,491,128</u>	<u>785,834</u>	<u>8,266,887</u>	<u>8,824,595</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	-	25,423	-	-	-
Proceeds from Issuance of Debt	-	28,425,000	-	-	1,520,000
Proceeds from Sale of Bonds	-	-	-	4,040,000	-
Payment to Escrow Agents	-	-	-	(4,755,000)	-
Transfers In	7,348,087	13,359,981	11,659,951	16,600,296	8,426,644
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)
Total Other Financing Sources (Uses)	<u>(3,483,257)</u>	<u>5,487,871</u>	<u>451,872</u>	<u>(1,070,543)</u>	<u>(1,921,767)</u>
Net Change in Fund Balances	1,016,599	8,978,999	1,237,706	7,196,344	6,902,828
<b>Fund Balances:</b>					
Beginning of Year	<u>84,329,135</u>	<u>85,345,734</u>	<u>94,324,733</u>	<u>95,562,439</u>	<u>102,758,783</u>
End of Year	<u>85,345,734</u>	<u>94,324,733</u>	<u>95,562,439</u>	<u>102,758,783</u>	<u>109,661,611</u>
Debt Service as a Percentage of Noncapital Expenditure	2.42%	7.16%	3.30%	2.70%	2.68%

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property  
Last Five Fiscal Years

Direct and Overlapping Property Tax Rates - Last Five Fiscal Years

Principal Property Tax Payers - Current Year & Four Years Ago

Property Tax Levies and Collections - Last Five Fiscal Years

**City of Pleasanton**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Five Fiscal Years**

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Taxable Assessed Value	Total Direct Tax Rate
2002	\$10,073,773,908	\$3,539,632	\$745,410,806	\$10,822,724,346	0.268%
2003	11,007,214,146	2,053,960	680,796,620	11,690,064,726	0.267%
2004	11,789,099,384	2,135,286	680,766,777	12,472,001,447	0.267%
2005	12,594,592,116	2,297,346	611,932,067	13,208,821,529	0.313%
2006	13,618,889,401	2,242,475	575,007,837	14,196,139,713	0.291%

Source: Alameda County Office of the Auditor-Controller

**City of Pleasanton**  
**Direct and Overlapping Property Tax Rates**  
**Last Five Fiscal Years**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
County Wide Levy	1.0000	1.0000	1.0000	1.0000	1.0000
City of Pleasanton	0.0000	0.0000	0.0000	0.0000	0.0000
Pleasanton Unified School District	0.0870	0.0759	0.0726	0.0935	0.0854
Community College District	0.0000	0.0000	0.0000	0.0186	0.0158
Flood Zone 7	0.0157	0.0158	0.0145	0.0114	0.0130
Bay Area Rapid Transit District	0.0000	0.0000	0.0000	0.0000	0.0048
East Bay Regional Park District	0.0072	0.0065	0.0057	0.0057	0.0235
<b>Total</b>	<u>1.1099</u>	<u>1.0982</u>	<u>1.0928</u>	<u>1.1292</u>	<u>1.1425</u>

assessed value

Source: Alameda County Office of the Auditor-Controller



**City of Pleasanton**  
**Principal Property Tax Payers**  
**Current Year and Four Years Ago**

Taxpayer	2006		2002	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Peoplesoft Properties Inc	\$211,158,106	1.45%	\$144,289,242	1.32%
Stoneridge Properties	\$208,253,549	1.43%	\$192,101,481	1.76%
W B Bernal LLC	-	-	\$185,320,078	1.70%
6200 Stoneridge Mall Road Investors	\$170,886,534	1.18%	-	-
Safeway Inc	\$137,929,508	0.95%	\$83,383,648	0.76%
Pleasant Property LLC	\$136,825,333	0.94%	-	-
Applera Corporation	\$127,812,476	0.88%	-	-
Kaiser Foundation Hospitals	\$127,351,021	0.88%	-	-
Carr Realty Corporation	-	-	\$125,464,913	1.15%
ND Properties Inc	\$113,592,000	0.78%	-	-
Clorox Services Company	\$110,737,408	0.76%	\$84,824,377	0.78%
NNN Britannia Business Center 1	\$101,517,732	0.70%	-	-
National Office Partners	-	-	\$96,355,480	0.88%
Peoplesoft Inc	-	-	\$91,909,388	0.84%
Security Capital Pacific Trust	-	-	\$83,225,298	0.76%
Excel Realty Trust Inc	-	-	\$74,521,353	0.68%
	<u>\$1,446,063,667</u>	<u>9.96%</u>	<u>\$1,161,395,258</u>	<u>10.63%</u>

Source: HdL Coren & Cone  
Alameda County Office of the Auditor-Controller

**City of Pleasanton**  
**Property Tax Levies and Collections**  
**Last Five Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	\$29,208,610	\$28,277,261	96.81%	\$692,648	\$28,969,909	99.18%
2003	32,064,712	30,270,791	94.41%	932,823	31,203,614	97.31%
2004	33,131,453	32,310,191	97.52%	1,000,586	33,310,777	100.54%
2005	41,714,177	40,400,026	96.85%	886,402	41,286,428	98.97%
2006	44,899,643	40,301,766	89.76%	955,480	41,257,246	91.89%

Note: Total Tax Levy includes estimated Unitary Tax, estimated supplemental Assessments, 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 Fiscal Year 1992-93

Source: Alameda County Office of the Auditor-Controller

Debt Capacity Information

Ratios of Outstanding Debt by Type – Last Five Fiscal Years

Ratio of General Bonded Debt Outstanding – Last Five Fiscal Years

Direct and Overlapping Debt – Year Ended June 30, 2006

Legal Debt Margin Information – Last Five Fiscal Years

Pledged-Revenue Coverage – Last Five Fiscal Years

**City of Pleasanton**  
**Ratios of Outstanding Debt by Type**  
**Last Five Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities			
	General Obligation Bonds	Certificates of Participation	Notes Payable	Total Governmental Activities
2002	\$0	\$9,985,000	\$0	\$9,985,000
2003	0	34,180,000	0	\$34,180,000
2004	0	33,360,000	0	\$33,360,000
2005	0	31,890,000	75,000	\$31,965,000
2006	0	30,560,000	1,595,000	\$32,155,000

**City of Pleasanton**  
**Ratios of Outstanding Debt by Type**  
**Last Five Fiscal Years**

Business-Type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
Sewer Revenue Bonds	Water Revenue Bonds	Notes Payable	Capital Lease			
\$4,558,086	\$5,543,387	\$505,997	\$0	\$20,592,470	0.6%	\$316.06
4,120,930	4,970,738	473,239	0	\$43,744,907	1.3%	\$663.19
3,609,968	4,368,019	438,318	0	\$41,776,305	1.2%	\$625.51
3,660,000	3,595,000	401,173	697,844	\$40,319,017	n/a	\$601.34
3,120,000	2,945,000	361,499	567,545	\$39,149,044	n/a	\$581.53

**City of Pleasanton**  
**Ratio of General Bonded Debt Outstanding**  
**Last Five Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2002	\$0	\$0	\$0	0.000%	0
2003	0	0	0	0.000%	0
2004	0	0	0	0.000%	0
2005	0	0	0	0.000%	0
2006	0	0	0	0.000%	0

**City of Pleasanton  
Direct and Overlapping Debt  
For the year ended June 30, 2006**

2005/06 Net Assessed Valuation

\$14,325,342,328

	Percentage Applicable (1)	Outstanding Debt 06/30/06	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
Bay Area Rapid Transit District	3.960%	\$ 100,000,000	\$ 3,960,000
Chabot-Las Positas Community College District	21.380%	89,275,849	19,087,177
Dublin Joint Unified School District	0.010%	81,685,000	8,169
Livermore Valley Joint Unified School District	2.088%	101,170,000	2,112,430
Pleasanton Unified School District	97.424%	131,099,429	127,722,308
Sunol Glen Unified School District	0.001%	1,764,789	18
City of Pleasanton 1915 Act Bonds	100.000%	59,430,000	59,430,000
East Bay Regional Park District	5.793%	111,170,000	<u>6,440,078</u>
Total Overlapping Tax and Assessment Debt:			<u>\$ 218,760,180</u>
<b>Direct and Overlapping General Fund Obligation Debt:</b>			
Alameda County General Fund Obligations	9.912%	\$ 611,306,000	\$60,592,651
Alameda County Pension Obligations	9.912%	282,077,926	27,959,564.00
Alameda County Board of Education Certificates of Participation	9.912%	1,285,000	127,369.00
Chabot-Las Positas Community College District Certificates of Participation	21.380%	7,820,000	1,671,916.00
Pleasanton Unified School District Certificates of Participation	97.414%	19,580,000	19,075,619.00
City of Pleasanton General Fund Obligations	100.000%	30,560,000	<u>30,560,000.00</u>
Total Direct and Overlapping General Fund Obligation Debt:			<u>\$139,987,119</u>
Combined Total Debt			\$587,473 (2)

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

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

Ratios to Assessed Valuation:

Combined Direct Debt (\$30,560,000).....	0.21%
Total Overlapping Tax and Assessment Debt.....	1.53%
Combined Total Debt.....	2.50%

State School Building Aid Repayable as of 06/30/06: \$ 0

Source: California Municipal Statistics, Inc.

**City of Pleasanton**  
**Legal Debt Margin**  
**Last Five Fiscal Years**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
Assessed Valuation	\$ 10,925,666,346	\$ 11,690,064,729	\$ 12,472,001,447	\$ 13,208,821,529	\$ 14,196,139,713
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,731,416,587	2,922,516,182	3,118,000,362	3,302,205,382	3,549,034,928
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	409,712,488	438,377,427	467,700,054	495,330,807	532,355,239
Amount of Debt Subject to Limit	970,000	505,000	0	0	0
Legal Debt Margin	408,742,488	437,872,427	467,700,054	495,330,807	532,355,239
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.24%	0.12%	0.00%	0.00%	0.00%

Source: City of Pleasanton Finance Department  
Alameda County Office of the Auditor-Controller



**City of Pleasanton**  
**Pledged-Revenue Coverage for the Sewer and Water Funds**  
**Last Five Fiscal Years**

Sewer Revenue Bonds

Fiscal Year Ended June 30	Sewer Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	11,271,807	9,245,473	2,026,334	431,395	471,261	902,656	2.24
2002-03	11,331,746	9,308,075	2,023,671	436,156	183,963	620,119	3.26
2003-04	11,276,659	9,288,015	1,988,644	505,018	152,830	657,848	3.02
2004-05	11,317,202	9,399,929	1,917,273	473,020	190,028	663,048	2.89
2005-06	11,312,597	9,698,298	1,614,299	540,000	102,472	642,472	2.51

Water Revenue Bonds

Fiscal Year Ended June 30	Water Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	16,649,591	11,673,887	4,975,704	488,605	294,096	782,701	6.36
2002-03	16,453,656	11,849,788	4,603,868	572,649	214,356	787,005	5.85
2003-04	17,334,948	12,929,069	4,405,879	544,983	242,942	787,925	5.59
2004-05	16,351,235	11,573,538	4,777,697	531,980	208,756	740,736	6.45
2005-06	16,670,008	12,892,209	3,777,799	650,000	77,712	727,712	5.19

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).

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics – Last Five Calendar Years

Principal Employers – Current Year and Five Years Ago

City Employees by Function – Last Five Fiscal Years

**City of Pleasanton**  
**Demographic and Economic Statistics**  
**Last Five Calendar Years**

Calendar Year	Population As of 1/1 (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	65,154	3,199,363,040	49,104	2.3%
2002	65,961	3,206,276,673	48,609	3.2%
2003	66,788	3,314,652,042	49,629	3.3%
2004	67,049	3,529,248,000	52,637	2.9%
2005	67,321	N/A	N/A	2.5%

Note: Personal income and per capita person income for years 2001 through 2003 for the City of Pleasanton are estimates based upon the percent of change for Alameda County as provided by the Dept of Commerce, BEA

- Sources:
- (1) California Department of Finance, Demographic Research Unit
  - (2) California Franchise Tax Board / U S Dept of Commerce, Bureau of Economic Analysis
  - (3) California Employment Development Department, Labor Market Information Div.

**City of Pleasanton**  
**Principal Employers**  
**Current Year and Four Years Ago**

Employer	2006		2002	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Safeway	2400	4.15%	1100	1.80%
(1) EMC Corporation	2200	3.81%	490	0.80%
(2) Oracle	1800	3.11%	3500	5.74%
(3) Washington Mutual	1400	2.42%	1800	2.95%
Valley Care Medical Center	1300	2.25%	1135	1.86%
Kaiser Permanente	1200	2.08%	744	1.22%
Pleasanton Unified School District	1168	2.02%	1240	2.03%
Robert Half International	1102	1.91%	1110	1.82%
E-Loan	825	1.43%	-	0.00%
AT&T	750	1.30%	1660	2.72%
Macy's	750	1.30%	678	1.11%
Farmers Insurance	601	1.04%	700	1.15%
Ross Stores	550	0.95%	-	0.00%
Clorox Services Company	530	0.92%	487	0.80%
City of Pleasanton	504	0.87%	550	0.90%

"Total Employment" as used above represents the total employment of all employers located with City limits.

Sources: City of Pleasanton Economic Development Department  
California EDD, Labor Market Information Divn.  
"Projections 2001" ABAG

- (1) Previously Documentum
- (2) Previously Peoplesoft
- (3) Previously Providian

**City of Pleasanton**  
**Full-Time and Part-Time and Limited Term Employees by Function**  
**Last Five Fiscal Years**

Function	Full-Time and Part-Time and Limited Term Employees as of June 30				
	2002	2003	2004	2005	2006
General Government	44	44	44	44	44
(1) Public Safety	183	182	182	182	185
Planning & Community Development	20	20	18	18	19
Public Works	91	89	76	76	76
Community Activities	86	86	85	85	85
Utilities	35	35	35	35	35
Total	459	456	440	440	444

(1)

Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department personnel per Joint Powers Agreement.

Source: City of Pleasanton Budget

## Operating Information

Operating Indicators by Function – Last Five Fiscal Years

Capital Asset Statistics by Function – Last Five Fiscal Years

**City of Pleasanton**  
**Operating Indicators by Function**  
**Last Five Fiscal Years**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Police:</b>					
Arrests	2574	3000	2450	2401	2281
Parking Citations Issued	1447	1712	1866	1398	1285
Administrative Citations Issue	125	84	210	99	181
<b>Fire:</b>					
Number of Responses (Pleasanton only)	3833	4011	4055	4256	4547
Number of Inspections (Pleasanton only) (1)	447(1)	1003	923	1181	1465
<b>Library:</b>					
Annual Circulation	845,266	969,833	969,483	1,047,607	1,109,541
Gate Count (# or people through the doors)	425,081	467,867	467,696	465,978	459,138
<b>Finance</b>					
Business Licenses Issued	7,828	8,272	9,362	10,529	10,933
Utility Bills Generated	122,094	123,750	128,172	128,256	128,838
<b>Parks &amp; Community Services:</b>					
Paratransit Trips (2)	22,560	23,717	24,867	22,898	20,974 (2)
Golf Rounds Played (3)	0	0	0	0	45,229
Aquatics Youth Programs	9,193	8,235	16,523	17,364	16,002
Youth Sports, Camps, Classes and Leagues	N/A	6,556	5,639	7,039	9,299
Audiences & Performers at Amador Theater (4)	68,805	69,200	70,400	70,195	66,354(4)
<b>Building Department:</b>					
Plan checks	941	982	1,131	1,217	1,110
Permits Issued	6,553	6,684	7,473	7,314	7,224
<b>Public Works:</b>					
Streets Resurfacing (miles)	11	12	13	11	10
<b>Water:</b>					
New Water Connections	182	204	283	279	180
Gallons Delivered	5,748,538,000	5,750,837,000	6,336,298,000	5,504,555,000	5,987,811,000
<b>Wastewater:</b>					
New Sewer Connections	310	213	325	258	201

- (1) for fire inspection 1/1/02 - 6/30/02. Only
- (2) Down two drivers/buses in April, May & June
- (3) Callippe Preserve opened November 2005
- (4) No Civic Arts Holiday Show

**City of Pleasanton**  
**Capital Asset Statistics by Function**  
**Last Five Fiscal Years**

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Stations (Pleasanton only)	4	4	5	5	5
<b>Library:</b>					
Branches	1	1	1	1	1
<b>Parks &amp; Community Services:</b>					
Parks (acres developed and maintained)	140	140	360	397	397
Municipal Golf Courses	0	0	0	0	1
Aquatic Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
<b>Public Works:</b>					
Streets ( miles)	189	189	194	194	198
Streetlights	5,114	5,136	5,208	5,209	5,311
Traffic Signals	75	79	80	86	87
<b>Water:</b>					
Water mains (miles)	303	306	310	313	314
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M	37.0M
<b>Wastewater:</b>					
Sanitary Sewers (miles)	239	241	245	248	249
Storm Sewers (miles)	175	176	179	182	183

Source: City of Pleasanton Finance, Parks and Community Services, and Public Works Departments