

CITY OF PLEASANTON CALIFORNIA



Alviso Adobe Community Park
Completed 2008

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2008

City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2008

Prepared by the Finance Department

City of Pleasanton

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THE CITY OF



PLEASANTON®

December 22, 2008

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, 2008, 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, 2008.

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, 2008, 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, 2008, 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 68,755 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.

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. In 2008, Pleasanton was cited as having the highest median household income in the nation (in cities with populations from 65,000 to 249,999) at \$113,000.

The housing market has stalled after running at double-digit appreciation rates for the past few years. Jobs associated with the housing problem will be negatively impacted (construction, real estate, financial jobs) and there will be a ripple down affect for City revenues associated with residential development (property tax, building permit revenue). Homes purchased during the housing peak may experience significant valuation declines. 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 14.5% in Q3 2008, up from 13.8% six months ago, and 8.4% one year ago (Colliers International – Tri-Valley report) and Class A asking rates have decreased from \$2.25 in Q1 2008 to \$2.15 in Q3 2008. The year-to-date gross absorption for the Pleasanton Class A office market is 265,082 square feet, up from 188,602 square feet a year ago. The rise in gross absorption represents an increase in gross leasing activity over the past year. Of particular significance, Workday Inc. subleased approximately 69,000 square feet of Class A office space at Pleasanton Corporate Commons, and 24-hour Fitness executed a twenty year lease, occupying 56,200 square feet at 4770 Willow Road, in Hacienda Business Park. In comparing 2008 to the prior year, the City has experienced the following changes in some of its major revenue sources that are tied to regional economic growth, including combined property tax (+6.6%), sales tax (-3.8%), hotel tax (+1.6%) and business license tax (-3.2%). These four revenue sources account for 80% of the City's General Fund revenue. The City anticipates secured property tax revenue to increase +3.5% in 2009.

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

The Simon Property Group, the nation's largest shopping mall owner, recently acquired the Stoneridge Shopping Center from the Mills Corporation. The regionally popular PF Changs and Cheesecake Factory restaurants recently opened at the mall site. Simon is in discussions with Nordstrom department store to evaluate expansion plans for an additional 144,000 square feet and an additional 30,000 square feet for Macy's.

Construction of a second Bay Area Rapid Transit (BART) station and adjacent parking structure located near the Stoneridge Mall will be opening in late 2009 along with the Windstar 350-unit apartment complex. The Windstar project will include a number of below market rate units.

A new computer software firm, Workday Inc., which specializes in hosted HR, accounting and payroll software services, has leased 69,000 square feet of office space near the Stoneridge Shopping Center and new BART station.

Oracle has a parking structure and five story 588 square foot building which will be a twin to its current building on the Pleasanton campus.

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

Carr America Corporate Center in the Hacienda Business Park is proposing a 500,000 square foot expansion of its existing seven-building campus, which already includes more than a million square feet. The plans include three new office buildings and a 130-room hotel with attached retail.

Roche Molecular, a pharmaceutical and medical technology company, has completed 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.

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. A Safeway grocery store is proposed to serve as the anchor tenant for the retail center and South Bay is in the process of seeking additional tenants.

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 business market.

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. When the 1996 General Plan was adopted, build-out was expected to occur approximately in the year 2020 (or soon thereafter) for both commercial and residential property, although residential build-out could occur sooner. The General Plan is currently under review and the timeframe for build out is now estimated at 2020 and 2030, respectively, for both residential and commercial development. 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' compensation claims (\$75,000 and \$1,000,000 respectively). These joint powers authorities and the City rely on estimates prepared by professional actuaries to deposit premiums adequate to meet potential losses.

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 2008 of 306 days. The average yield of investments not held by fiscal agents was 4.74%. 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. In October 2002, 318 acres of the Bernal Property were dedicated to the City for open space and other public uses. 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. Measure P, passed by Pleasanton voters in November 2006, allows the City Council to implement a land use plan that includes lighted sports fields and a children's play area and may include an outdoor amphitheatre, 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 has been developed.

Legacy Partners, a major real estate developer, purchased a 322-acre east Pleasanton site that has been in use as a quarry and mining operation for over 50 years. This site represents the last area of Pleasanton where there is a substantial number of acres to be developed. Legacy plans to turn the property into a mixed-use complex that could include homes, offices, retail and industrial buildings.

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.

To further facilitate the economic growth of the downtown, the City negotiated the purchase of 10 acres of vacant property located between Bernal Avenue and Stanley Boulevard adjacent to First Street in the downtown area known as the Alameda County Transportation Corridor. The land will be used to provide parking facilities and other improvements in the downtown area.

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.

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 \$9.4 million. As of June 30, 2008, the City has \$7.9 million in the Temporary Recession Reserve, \$73.9 million in capital project reserves set aside for future projects, and \$43.8 million in reserves that have been set aside for insurance reserves, and long term replacement and renovation of equipment, vehicles, parks and facilities. Reserves set aside for Retiree Medical Benefits total \$43.2 million. 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 both the short and 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.

December 22, 2008

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

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, 2007. 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), and Diane Punzo, Accounting Manager, who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Cheryl Caraballo, Josie Fong, Annette Gibson, Juan Gomez, Pat Heath, Dave Iremonger, Kathy Kitterman, Margaret Lyons, Mike Patrick, 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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2008**

ELECTED OFFICIALS:

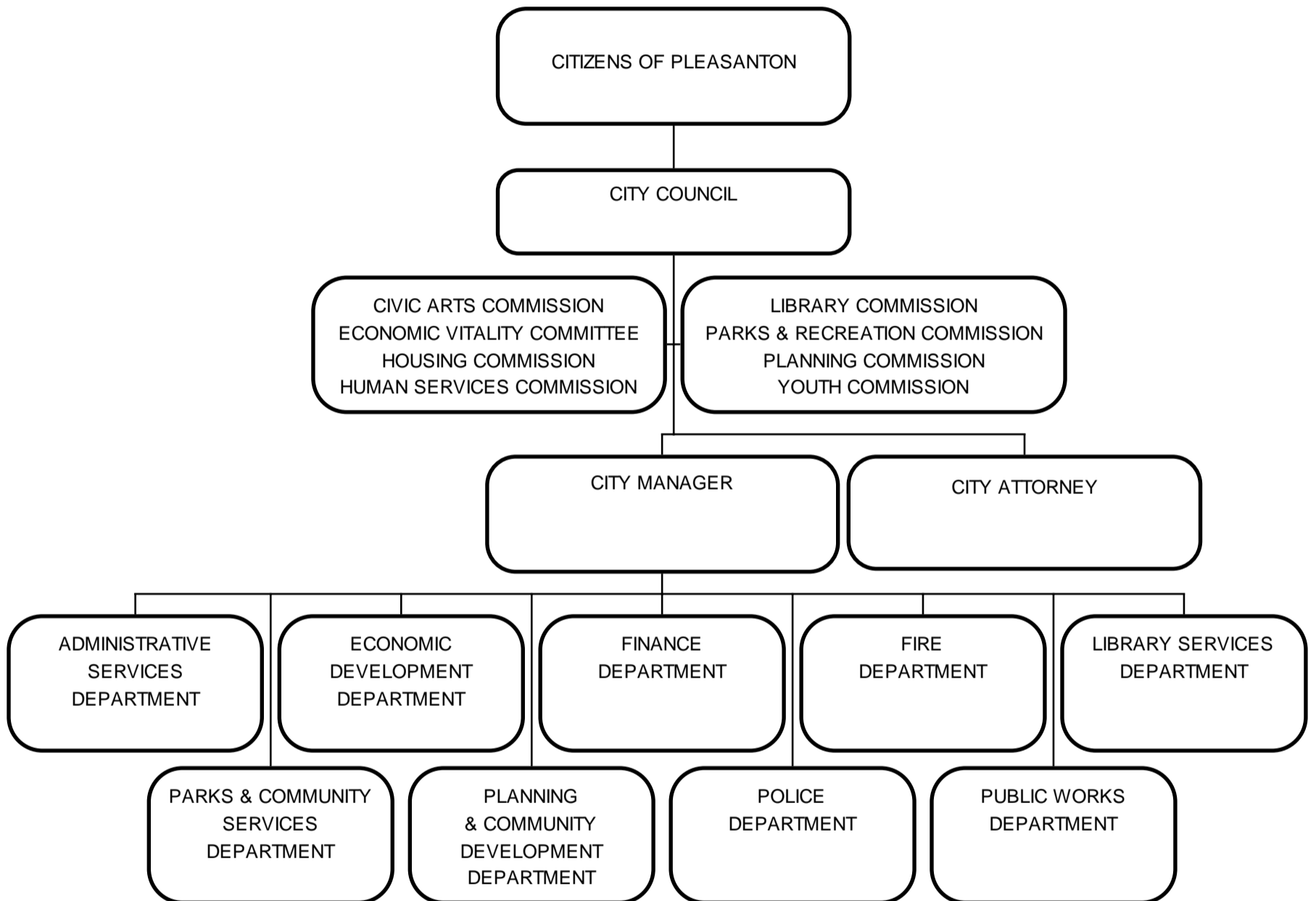
Mayor	Jennifer Hosterman
Vice Mayor	Jerry Thorne
Council Member	Cheryl Cook-Kallio
Council Member	Cindy McGovern
Council Member	Matt Sullivan

ADMINISTRATIVE PERSONNEL:

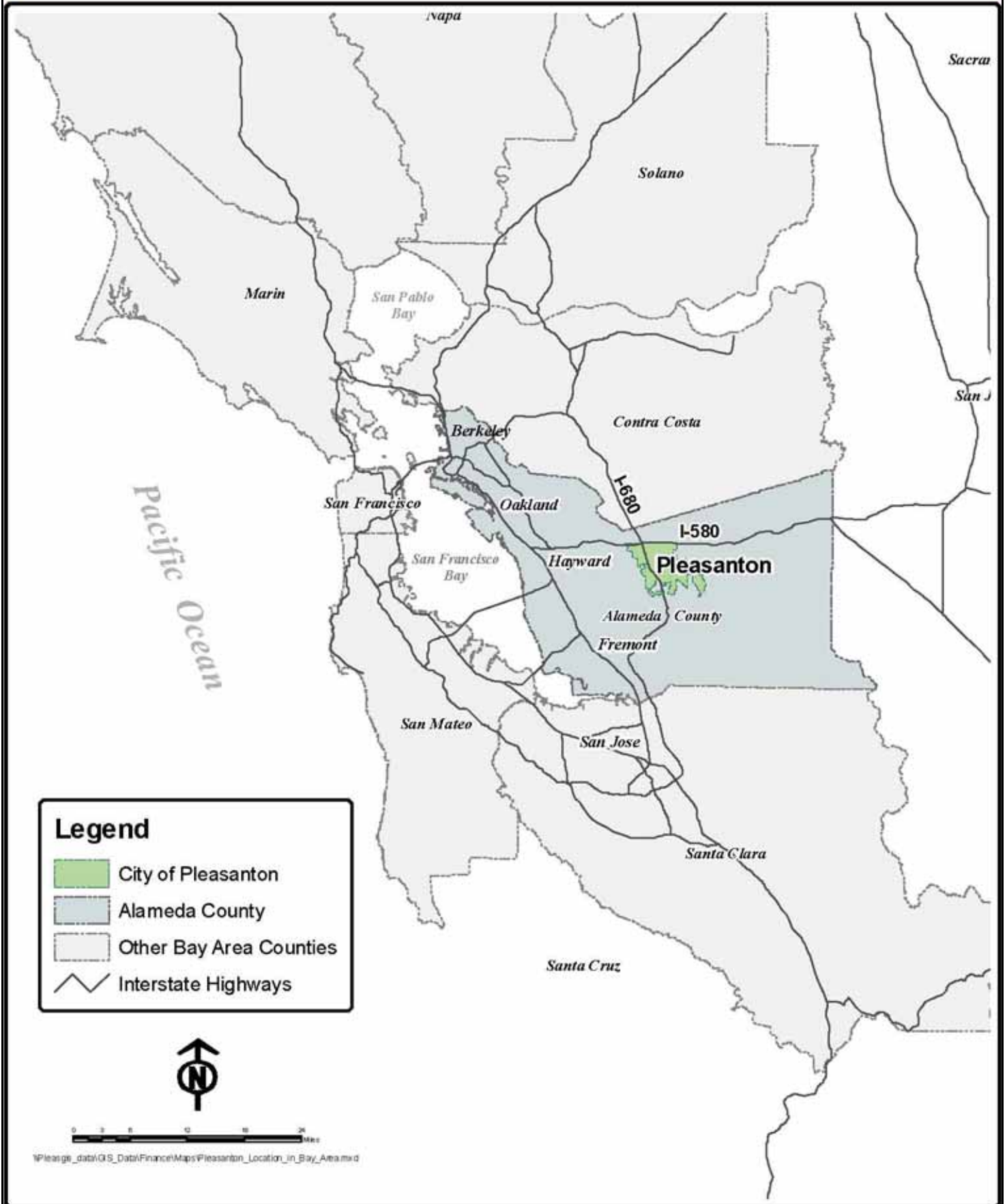
City Manager	Nelson Fialho
City Attorney	Michael Roush
Assistant City Manager	Steven Bocian
Assistant City Manager	Julie Yuan-Miu
City Clerk	Karen Diaz
Director of Finance	David Culver
Director of Public Works	Rob Wilson
Director of Planning & Community Development	Brian Dolan
Director of Parks & Community Services	James Wolfe
Director of Library Services	Julie Farnsworth
Fire Chief	Bill Cody
Chief of Police	Michael Fraser
Director of Economic Development	Pamela Ott

CITY OF PLEASANTON

ORGANIZATION CHART AS OF JUNE 30, 2008



Pleasanton, California.





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, 2008, 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 did not audit the financial statements of the Golf Operations Enterprise Fund which represents \$691,204 of assets, \$6,169 of net assets, and \$4,578,857 of revenues of the City's business-type activities. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements of the City, insofar as it related to those amounts included for the above mentioned fund in the accompanying basic financial statements of the City, is based solely on the reports of the other auditors.

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, based on our audit and the report of other auditors, 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, 2008, 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.

Subsequent to the basic financial statements dated of June 30, 2008 and the year then ended the United States has entered into a Financial Credit Crisis. Although the United States Federal Government has taken actions which, at least in part, are intended to relieve and correct this Financial Credit Crisis, investments are subject to significant impairment and losses. To date the City has not been informed and is not aware of any investment losses. Accordingly, such investment losses, if any, have not been reflected in the accompanying basic financial statements.

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Sacramento

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San Diego

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San Diego, California 92111

To the Honorable Mayor and Members of the City Council
of the City of Pleasanton
Pleasanton, California
Page 2

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues and No. 50, Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, 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.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information is 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 a 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 & Carson

Oakland, California
December 23, 2008

**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, 2008 (FY08). 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 its liabilities at the close of the most recent fiscal year by \$861.5 million (net assets). Of this amount, \$206.2 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$57.2 million is restricted for specific purposes (restricted net assets), and \$598.1 million is invested in capital assets, net of related debt.
- The City's total net assets increased by \$29.9 million during the fiscal year, a 3.6 percent increase. Of this amount, \$27.1 million was attributable to governmental activities, a 4.8 percent increase, and \$2.8 million was attributable to business-type activities, a 1.1 percent increase.
- The City's governmental funds reported ending fund balances of \$120.7 million, an increase of \$8.6 million or 7.7 percent in comparison with the prior year.
- The General Fund unreserved fund balance is \$24.8 million, of which \$9.4 million is designated for economic uncertainties, \$7.9 million is designated for temporary recession, \$2.5 million is designated for carryover appropriations, \$3.0 million is designated for capital projects, and \$2.0 million is designated for golf debt service. The reserved portion of the fund balance is \$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, and library). The business-type activities of the City include water, sewer, golf, transit, storm drain, and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All 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, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, 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 2007 and 2008. 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, 2007 (2007) and June 30, 2008 (2008):

City of Pleasanton Net Assets (in millions of dollars)								
	Governmental Activities		Business-type Activities		Total		Total Percentage Change	
	2007	2008	2007	2008	2007	2008	2007 to 2008	2007 to 2008
Current and other assets	\$ 207.0	\$ 226.0	\$ 62.2	\$ 60.4	\$ 269.2	\$ 286.4		6.4%
Capital assets	409.8	416.9	209.8	215.1	619.6	632.0		2.0%
Total assets	<u>616.8</u>	<u>642.9</u>	<u>272.0</u>	<u>275.6</u>	<u>888.8</u>	<u>918.5</u>		3.3%
Long-term liabilities	37.7	36.7	5.6	4.2	43.3	40.9		-5.7%
Other liabilities	8.8	8.9	5.1	7.3	13.9	16.2		16.7%
Total liabilities	<u>46.5</u>	<u>45.6</u>	<u>10.7</u>	<u>11.5</u>	<u>57.2</u>	<u>57.0</u>		-0.3%
Net Assets:								
Invested in capital assets net of related debt	378.7	387.2	204.2	210.9	582.9	598.1		2.6%
Restricted	50.3	56.5	0.7	0.6	51.0	57.1		12.0%
Unrestricted	141.3	153.7	56.4	52.5	197.7	206.2		4.3%
Total net assets	<u>\$ 570.3</u>	<u>\$ 597.4</u>	<u>\$ 261.3</u>	<u>\$ 264.1</u>	<u>\$ 831.6</u>	<u>\$ 861.5</u>		3.6%

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 \$861.5 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 \$206.2 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 \$153.7 million of the unrestricted net assets of the City and business-type activities account for \$52.5 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 \$598.1 million (69.4 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 \$15.2 million (2.6 percent) in 2008. Additions totaled \$31.9 million, of which \$13.7 million were developer dedications (\$.8 million land, \$12.4 million infrastructure, \$.5 million buildings, machinery and equipment). Additions included street improvements (\$8.4 million), land additions (\$.8 million), City water/sewer/storm additions and improvements (\$6.6 million), vehicle and equipment additions (\$5.2 million), building additions (\$10.6 million) and increases in construction in progress (\$.3 million). These additions were partially offset by depreciation and retirements of existing capital assets (\$19.5 million). At the same time, debt principal was reduced due to normal amortizations.

- The remaining net assets of \$57.2 million (6.6 percent of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$39.1 million restricted for the construction of major capital projects and for capital maintenance, \$1.0 million to pay for upcoming debt payments, and \$17.1 million for all other.

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
	2007	2008	2007	2008	2007	2008	
Revenues:							
Program revenues:							
Charges for Services	\$22.8	\$23.9	\$34.6	\$31.9	\$57.3	\$55.8	-2.6%
Operating grants & contributions	3.6	3.1	-	-	3.6	3.1	-15.1%
Capital grants & contributions	10.1	21.6	12.1	7.1	22.2	28.7	29.1%
Interfund charges	1.4	1.7	-	-	1.4	1.7	26.2%
General revenues:							
Property taxes	45.3	48.0	-	-	45.3	48.0	5.8%
Sales taxes	21.1	21.1	-	-	21.1	21.1	0.3%
All other taxes	9.7	9.3	-	-	9.7	9.3	-3.3%
All other general revenues	10.4	11.2	3.0	3.5	13.4	14.7	9.5%
Total revenues	<u>\$124.4</u>	<u>\$140.0</u>	<u>\$49.7</u>	<u>\$42.4</u>	<u>\$174.0</u>	<u>\$182.4</u>	<u>4.8%</u>
Expenses:							
General government	13.1	11.5	-	-	13.1	11.5	-12.4%
Public safety	45.4	47.9	-	-	45.4	47.9	5.6%
Public works	26.1	28.1	-	-	26.1	28.1	7.7%
Community Activities	19.7	20.0	-	-	19.7	20.0	1.7%
Water	-	-	16.4	16.2	16.4	16.2	-0.9%
Sewer	-	-	12.1	12.7	12.1	12.7	4.9%
Golf	-	-	5.9	5.7	5.9	5.7	-2.8%
Other	6.8	6.3	2.4	2.4	9.2	8.7	-5.7%
Interfund charges	-	-	1.4	1.7	1.4	1.7	26.2%
Total expenses	<u>\$111.0</u>	<u>\$113.8</u>	<u>\$38.2</u>	<u>\$38.8</u>	<u>\$149.2</u>	<u>\$152.6</u>	<u>2.3%</u>
Revenues over (under) expenses	<u>\$13.4</u>	<u>\$26.2</u>	<u>\$11.5</u>	<u>\$3.6</u>	<u>\$24.8</u>	<u>\$29.9</u>	<u>20.3%</u>
Transfer In/(Out)	0.6	0.9	(0.6)	(0.9)	0.0	0.0	0.0%
Change in net assets	\$14.0	\$27.1	\$10.9	\$2.7	\$24.8	\$29.9	20.3%
Net assets, beginning of year	<u>556.3</u>	<u>570.3</u>	<u>250.5</u>	<u>261.3</u>	<u>806.8</u>	<u>831.6</u>	<u>3.1%</u>
Net assets, end of year	<u>\$570.3</u>	<u>\$597.4</u>	<u>\$261.3</u>	<u>\$264.1</u>	<u>\$831.6</u>	<u>\$861.5</u>	<u>3.6%</u>

Changes in Net Assets

Governmental Activities increased the City's net assets by \$27.1 million, thereby accounting for 90.6 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 \$113.8 million including expenses for general government, public safety, public works, and community activities. The expenses do not reflect capital outlays but rather include \$11.4 million in depreciation expenses.
- Program revenues only provided \$50.3 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 \$23.9 million.
 - Capital grants and contributions provided \$21.6 million, including development related fees of \$5.3 million, developer contributions of \$5.4 million, grants and subventions of \$3.8 million, private donations of \$.5 million, and \$6.6 million in land and infrastructure dedications.

- Operating grants and contributions totaled \$3.1 million.
- Interfund charges totaled \$1.7 million.
- General revenues and transfers totaled \$90.6 million and included:
 - Tax revenues of \$78.4 million.
 - Investment income (not restricted to specific programs) of \$10.6 million.
 - Miscellaneous revenues and transfers between governmental activities and business-type activities of \$1.5 million.

Business-type activities increased the City's net assets by \$2.7 million or 9.4 percent of the total growth in the net assets of the City. The increase is due primarily to:

- Capital contributions of \$7.1 million, of which \$6.3 million was dedicated infrastructure related to new development and land. Contributions to the water, sewer and storm drain funds were \$2.5 million, \$1.6 million, and \$3.0 million, respectively.
- General revenues of \$3.5 million, comprised of \$1.9 million in unrestricted investment income and \$1.6 million of miscellaneous income.
- These revenues were offset by expenses that exceeded charges for services by \$7.0 million, of which \$1.7 million were interfund charges, and transfers out of \$0.9 million.

Year to Year Variations in Revenues and Transfers

The City's total revenues were \$182.4 million for the year ended June 30, 2008, an increase of \$8.4 million from the prior year. Revenues from governmental activities totaled \$140.0 million, an increase of \$15.6 million. This increase is mostly due to increases in capital grants and contributions of \$11.5 million and increases in property taxes of \$2.7 million. Interfund charges increased by \$0.3 million. Revenues from business-type activities totaled \$42.4 million, a decrease of \$7.3 million. This decrease is mostly due to decreases in capital contributions of \$5.0 million and in charges for services of \$2.7 million, offset by a slight increase of \$0.5 million in miscellaneous revenues.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$89.3 million (49.0 percent of the total revenues). Program revenues made up 35.9 percent of governmental activities revenue. In the prior year, program revenues accounted for 30.5 percent of governmental activities revenue. Program revenues accounted for 92.0 percent of business-type activities revenue, compared to 94.0 percent in 2007. Interfund charges reflect transactions between funds. The year to year change is minimal.

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 \$93.1 million (51.0 percent of the total revenues), and increased by 4.0 percent from fiscal year 2007. The majority of general revenues came from property, sales, and other taxes (84.2 percent of general revenues). Only 3.8 percent of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$0.9 million this year, compared to \$0.6 million in 2007.

Year to Year Variations in Expenses

Expenses of the City for the year totaled \$152.6 million. Governmental activities incurred \$113.8 million in expenses (74.6 percent of the total), and business-type activities incurred \$38.8 million in expenses during the year (25.4 percent of the total).

Expenses were up \$3.4 million (2.3 percent overall) in 2008 compared to 2007. Governmental activities increased \$2.8 million (2.5 percent), due mostly to an increase in public works expenses of \$2.0 million (due mainly to increased capital outlay costs of \$2.9 million), and an increase in public safety expenses of \$2.5 million (due mainly to personnel cost increases of \$2.9 million, offset by a decrease in funding to equipment/facility replacement funds of \$1.0 million). These increases were offset by a decrease in general government expenses (\$1.6 million). Business-type activities increased \$.6 million (1.6 percent) due mostly to an increase in sewer fund expenses.

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 \$120.7 million, an increase of \$8.6 million in comparison with the prior year. Approximately \$119.7 million of the amount constitutes *unreserved fund balance*.

The net increase in fund balance is mostly due to increases in the Lower Income Housing Fund of \$1.3 million, \$1.5 million in the Special Revenue Funds and \$6.1 million in the Capital Project Funds. The Special Revenue Fund Prop IB Street Repair Bond Fund received \$1.1 million from the State this fiscal year for the maintenance and improvement of local transportation facilities. The Capital Project Fund CIP for Downtown & North Pleasanton fund was setup this fiscal year to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton. This fund received \$4.4 million in developer contributions this fiscal year, which was unspent at the close of the year.

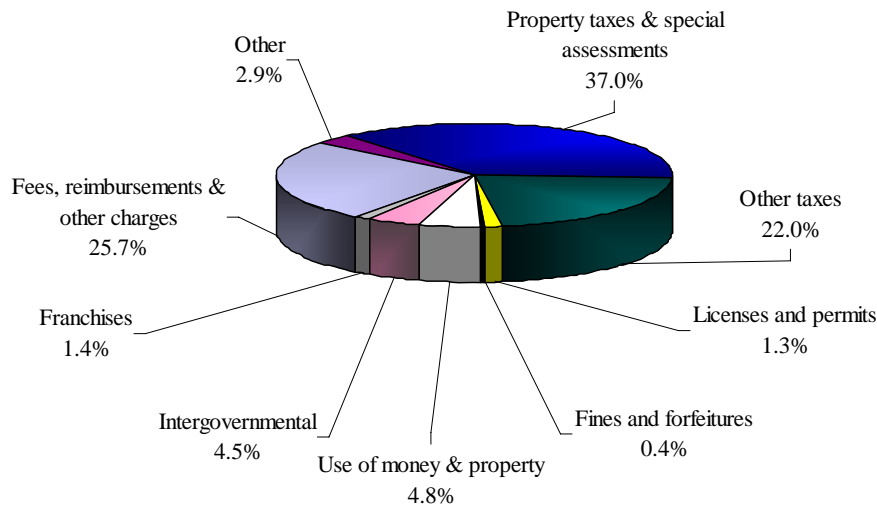
Temporary Recession reserves in the General Fund were increased to provide a cushion against an economic recession and any potential further downturn in the economy. Temporary Recession reserves were increased \$1.8 million, resulting in a 30% increase in reserve balance over the prior fiscal year, while Capital Project reserves were reduced by \$2.0 million. The remainder of the governmental funds combined fund balance (\$1.0 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 2007		FY 2008		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 45.5	38.2%	\$ 48.2	37.0%	\$2.6	5.8%
Other taxes	29.9	24.9%	28.7	22.0%	-1.2	-4.0%
Licenses and permits	2.0	1.6%	1.7	1.3%	-0.2	-10.0%
Fines and forfeitures	0.5	0.4%	0.6	0.4%	0.0	0.0%
Use of money & property	5.9	5.0%	6.3	4.8%	0.4	6.8%
Intergovernmental	5.9	5.0%	5.9	4.5%	0.0	0.0%
Franchises	1.7	1.4%	1.8	1.4%	0.1	5.9%
Fees, reimbursements & other charges	24.6	20.6%	33.5	25.7%	8.9	36.2%
Other	3.3	2.8%	3.8	2.9%	0.5	15.2%
Total	\$ 119.4	100.0%	\$ 130.5	100.0%	\$ 11.1	9.3%

**Revenues by Source
Governmental Funds**



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

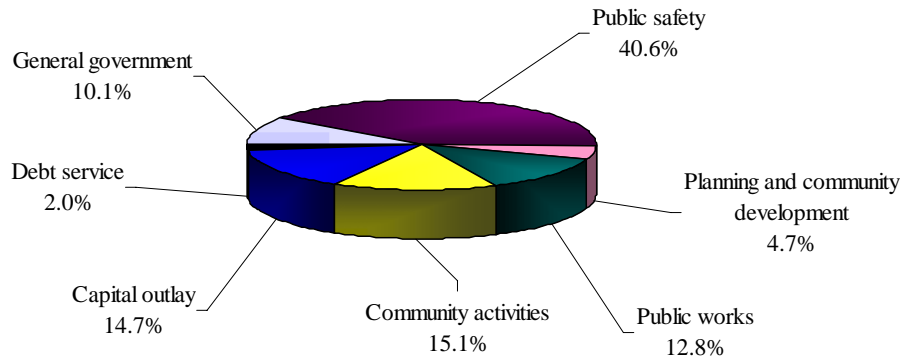
- Property taxes and special assessments** increased by \$2.6 million, (5.8 percent). This increase is primarily due to a \$1.1 billion (6.8 percent) increase in the secured property tax assessment roll in comparison to the prior year, which accounts for about \$2.5 million of the increase. Supplemental taxes decreased approximately \$0.5 million in 2008 but were mitigated by a \$0.5 million increase in the collection of delinquent prior taxes.
- Other taxes** decreased by \$1.2 million (4.0 percent). This decrease is due to the general economic slowdown of the nation and the state. Sales tax decreased \$0.9 million, business license tax decreased \$0.1 million, and documentary transfer tax decreased \$0.2 million. Sales tax decreases reflect a softening of sales for both the consumer sector and business to business market. Documentary transfer tax decreases are the direct result of the slowdown in housing sales that generate this revenue.

- *License and permits* decreased by \$.2 million (12.7 percent). This decrease is a direct result of less building activity within the City. Building permits for building, plumbing, electrical and heating were all less in 2008. Again, the economic downturn has affected growth in the region through decreased housing starts and the deferral of home improvements.
- *Use of money and property* (interest income and rents) increased by \$.4 million (6.4 percent). Interest earnings accounted for \$.7 million of the increase as the City earned an average interest rate of 4.7% during 2008 as compared to an average interest rate of 4.5% during 2007, on relatively equal average cash balances. 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 2008 compared to 2007 resulted in an unrealized gain in portfolio value. This gain, however, is \$.4 million less than the unrealized gain in the prior year.
- *Fees, reimbursements & other charges* increased by \$8.9 million (36.4 percent). The Capital Project Fund CIP for Downtown & North Pleasanton fund was established in 2008 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton. This fund received \$4.4 million this fiscal year. In addition, the City of Pleasanton received \$4.0 million from the City of San Ramon on behalf of the Tri-Valley Transportation Council for the I-580 HOV Lane project. The City acted only as a conduit for the funding as the funds were then wired to the Alameda County Congestion Management Agency, the lead construction and oversight agency on the project. The City acted as the project sponsor for this project.
- *All other revenues* increased \$0.6 million (7.0%). These revenues included fines and forfeitures, intergovernmental, franchises and miscellaneous revenues.

The following table 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 2007		FY 2008		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$11.4	9.7%	\$12.4	10.1%	\$1.0	8.8%
Public safety	47.6	40.7%	50.0	40.6%	2.4	5.0%
Planning and community	5.3	4.5%	5.8	4.7%	0.5	9.4%
Public works	15.8	13.5%	15.8	12.8%	0.0	0.0%
Community activities	17.9	15.3%	18.6	15.1%	0.7	3.9%
Capital outlay	16.5	14.1%	18.1	14.7%	1.6	9.7%
Debt service:						
Principal	1.3	1.1%	1.4	1.1%	0.1	7.7%
Interest and fiscal charges	1.2	1.0%	1.2	0.9%	0.0	0.0%
Total	\$117.0	100.0%	\$123.3	100.0%	\$6.3	5.4%

**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 \$1.0 million (8.8%) is mostly due to increased personnel costs (\$0.6 million) and increased expenditures for materials, supplies, and services. (\$0.4 million).
- **Public safety** - The net increase of \$2.4 million (5.0%) is mostly due to increased personnel costs including salary and benefit costs (\$2.9 million). Police department personnel costs increased \$1.3 million, Pleasanton share of the Livermore-Pleasanton Fire Department increased \$0.7 million, and the City of Livermore's share increased \$0.9 million. Public safety salaries increased \$1.1 million due to scheduled salary and step increases. Benefit costs increased \$0.6 million mainly due to increased health premiums and public safety contributions to the retiree medical reserve fund. An offset to increased personnel costs was a decrease in public safety contributions to the City's Replacement/Renovation Internal Service Funds of \$1.0 million.
- **Planning and community development** - The net increase of \$0.5 million (9.4%) is mainly due to an increase in housing loans being given out this year. The City gave out \$454,973 in new housing loans this year, as opposed to no new loans being given out in the prior fiscal year.
- **Capital outlay** - totaling \$18.1 million this year, varies from year to year and increased by \$1.6 million (9.7 percent). Significant project costs were incurred in the following projects: Alviso Adobe Community Park project (\$3.6 million), Bernal Property Community Park project (\$2.5 million), annual resurfacing of city streets (\$1.6 million), Vineyard Avenue Reservoir and Pump Station project (\$1.3 million) and the Vineyard Avenue Rubber Asphalt/Median project (\$0.8 million). Included in the capital outlay costs this year was \$4.0 million for the I-580 HOV Lane project. This was an unusual situation as this was flow through money, received from the City of San Ramon on behalf of the Tri-Valley Transportation Council and then wired by us to the Alameda County Congestion Management Agency, the lead construction and oversight agency on the project. The City acted as the project sponsor for this project and, as such, the money flowed through us.

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 10.0 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, 2008, will be discussed in more detail starting on page 17. The following is a summary:

- Revenues were less than projections by \$0.1 million (0.1 percent). Although there were numerous budget to actual variances, the most significant items included property tax revenues exceeding projections by \$.9 million while other tax revenues such as sales, documentary transfer, business license and hotel tax revenues were less than expected by \$1.4 million.
- Expenditures net of transfers out were less than expected by \$3.3 million.
- After carrying over \$1.4 million in appropriations to FY09 for outside services and other items that were not complete by year-end, the result was an unbudgeted surplus of \$1.8 million. The entire surplus was added to Temporary Recession Reserves bringing its balance to \$7.9 million.

The following table summarizes all General Fund reserves and designations, showing the beginning balances, plus changes resulting from FY08 operations and transfers to the CIP, and the resulting ending balances.

**City of Pleasanton
General Fund Reserves and Designations at 6/30/08**

	Balance 6/30/2007	Budgeted Additions	Year-end 08 Actual Additions	Budget to Actual Variance	Balance 6/30/2008
Reserved:					
Encumbrances	\$ 1,305,655	\$ -	\$ (729,748)	\$ (729,748)	\$ 575,907
Inventory	55,143	-	12,206	12,206	67,349
Unreserved, designated:					
Economic Uncertainty	9,260,000	150,000	150,000	-	9,410,000
Carryovers	2,353,932	(2,008,633)	143,258	2,151,891	2,497,190
Golf Debt Service	2,000,000	-	-	-	2,000,000
Capital Projects	5,000,000	(2,000,000)	(2,000,000)	-	3,000,000
Temporary Recession	6,100,000	-	1,800,000	1,800,000	7,900,000
TOTAL	\$ 26,074,730	\$ (3,858,633)	\$ (624,284)	\$ 3,234,349	\$ 25,450,446

While the City maintains the above reserves and designations consistent with its formal financial policies, only \$.6 million of the \$25.5 million ending fund balance was contractually committed (encumbered). This encumbrance, along with the gasoline inventory balance of \$67.3 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, 2008. The remaining \$24.8 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 secondary financing to first-time homebuyers. The City gave out \$454,973 in new housing loans this year; \$227,486 in State loans and \$227,486 in City loans. Payments on the State loans are deferred for 10 years while payments on the City loans begin upon issuance of the loan. Reimbursement revenue increased 30% over the prior year due to increased loan payments to the City. The fees collected from developers of new commercial and office buildings remained about the same as last fiscal year, however, fees collected from residential developers were less.
 - 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 8.0 percent greater this year than in 2007, due primarily to increased personnel costs. Expenses were \$.4 million higher this year due to scheduled salary and step increases. Retirement costs also increased (\$.2 million) due mainly to the PERS rate increase of 3.8% over the prior year.

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 2008.

The City had two *Debt Service* funds remaining as of June 30, 2008. 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 2008.

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 \$19.8 million for the Water Fund, \$27.2 million for the Sewer Fund, \$2.5 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 \$2.7 million. Increases included \$2.2 million in the Water Fund and \$2.3 million in the non-major enterprise funds. Decreases occurred in the Sewer Fund of \$.4 million and in the Golf Fund of \$1.8 million.

- The increase in the Water Fund was due primarily to capital contributions of \$2.5 million and interest income of \$1.1 million; offset by an operating loss of \$1.3 million. This year, capital contributions from developers for water infrastructure improvements totaled \$1.7 million and were primarily for new residential subdivisions throughout the City. Capital contributions increased by \$.6 million from the prior year. The operating loss is due largely to the City not recouping its costs of providing water to its residents. The City purchases 75% of its water from Zone 7 Water Agency. The Zone 7 Water Agency has raised its rates every year while the City has not raised its rates to residents since 2001. The City is currently undergoing a water rate study to determine the local rate necessary to offset the increase in Zone 7 water rates.
- The decrease in the Sewer Fund was due primarily to an operating loss of \$2.0 million; offset by capital contributions of \$1.7 million. This year, all capital contributions from developers were for sewer infrastructure improvements primarily at new residential subdivisions throughout the City.
- Golf Fund net assets decreased \$1.8 million this year due largely to a transfer out of \$1.6 million for golf debt service. Operations from the City's golf course provided \$1.2 million this year towards the debt service payment. There was a golf operating loss of \$.3 million and no capital contributions this year, as opposed to a \$1.3 million operating loss and \$5.9 million in capital contributions in 2007. This was only the second full year of operations for the City's golf course.
- The net increase in the non-major enterprise funds was due primarily to a \$2.2 million increase in the Storm Drain Fund, resulting mostly from capital contributions of \$3.0 million; offset by an operating loss of \$1.0 million. Capital contributions were all storm drain infrastructure additions at new residential subdivisions throughout the City.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's original budget, final budget and actual results for 2008 revenue, expenditures and transfers. Revenues were less than projections by 0.1 percent (\$0.1 million) and expenditures net of carryovers were under budget by about 3.4 percent (\$3.3 million).

Differences between the original and final revenue budget reflect a decrease of \$1.8 million (1.9 percent), and reflect (among other things) adjustments in projections for property, sales and other tax revenues (\$1.3 million decrease), permits (\$0.7 million decrease), and charges for services (\$0.3 million decrease). Differences between the original and final expenditure budget represent a \$.4 million decrease (.5 percent).

General Fund 2007-08 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues	\$95,970,413	\$94,170,703	\$94,069,348	(\$101,355)
Expenditures	91,099,633	90,706,106	87,008,497	(3,697,609)
Other Financing Sources(Uses):				
Transfers in	32,380	32,380	32,380	0
Transfers out	(7,343,160)	(7,355,610)	(7,717,515)	(361,905)
Net change in fund balance	(\$2,440,000)	(\$3,858,633)	(\$624,284)	\$3,234,349

General Fund actual revenues were less than final budget estimates by \$0.1 million in 2008. Though the variance in total was small, tax revenues received varied significantly than what was budgeted. Property tax revenues are the largest single revenue source for the General Fund and accounted for 51% of total revenues. Actual property tax collections in 2007-08 were \$907,797 above the final budget estimates and increased 2.6% from the prior fiscal year. Property tax revenues include secured, delinquent and supplemental property taxes. Sales tax revenues decreased 3.9% from the prior year, and were below budget estimates by \$541,183. In addition to tax revenue variances, reimbursements received were \$.6 million higher than budgeted largely due to the Livermore Pleasanton Fire Department (LFPD) Fund reimbursing the General Fund for Pleasanton's share of a FEMA grant received during the year.

Expenditures net of transfers out were less than expected by \$3.3 million. Of the \$3.3 million, \$1.4 million in appropriations were carried over to 2009, leaving a net variance of \$1.9 million in expenditures (after carryovers). Most of the variance was in personnel costs (\$.7 million under budget) and materials, supplies and services (\$.7 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, 2008 was \$632.1 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, buildings, improvements other than buildings, vehicles and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current period was \$12.5 million (2.0 percent).

Major capital asset events during the current fiscal year included:

- Governmental activities totaling \$18.7 million included:
 - City street improvements of \$8.4 million (of which \$6.1 million was dedicated infrastructure); and the completion of the Veteran’s Hall Remodel project of \$4.5 million.
 - Replacement of vehicles and equipment and repairs of facilities (\$1.9 million).
 - Increase in construction in progress. Major increases occurred in the Bernal Community Park (\$2.5 million) and the Alviso Adobe Community Park (\$3.6 million) projects.
- These additions were offset by decreases due to depreciation and retirements of existing capital assets of \$11.6 million.
- Business-type activities totaling \$13.2 million included:
 - Completed construction of the Vineyard Hills water tank (\$4.7 million) and rehabilitation of three water pump stations on Santos Ranch Road. (\$3.3 million).
 - Various City water/sewer/storm drain projects of \$6.6 million, of which \$3.0 million were dedications of storm drain infrastructure.
- These additions were partially offset by decreases due to depreciation and retirements of existing capital assets of \$7.9 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)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/</u>
	2007	2008	2007	2008	2007	2008	<u>(Decrease)</u>
							<u>% Change</u>
Infrastructure	\$125.3	\$126.5	\$136.9	\$137.6	\$262.2	\$264.2	0.7%
Land	208.6	209.1	14.0	14.3	222.6	223.3	0.3%
Buildings	39.5	43.9	18.1	22.9	57.7	66.9	15.9%
Improvements other than buildings	14.0	12.8	27.0	25.7	41.0	38.6	-5.9%
Vehicles & equipment	7.8	7.5	3.1	6.1	10.9	13.6	24.6%
Construction in progress	14.6	17.0	10.6	8.5	25.2	25.5	1.0%
Total	<u>\$409.8</u>	<u>\$416.9</u>	<u>\$209.8</u>	<u>\$215.1</u>	<u>\$619.6</u>	<u>\$632.1</u>	<u>2.0%</u>

Among the significant design/construction commitments outstanding at the end of the year were \$4.9 million for the Bernal Community Park Phase I, \$4.3 million for the Bernal Avenue Bridge and Street Widening, \$1.9 million for the Firehouse Arts Center, and \$1.7 for the Alviso Adobe Community Park projects.

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, decreased by a net \$1.2 million in FY08.

- The 2003 Certificates of Participation (COPs) outstanding were reduced by \$905,000 as the result of the normal amortization of the debt.
- The 2004 Certificates of Participation (COPs) outstanding were reduced by \$480,000 as the result of the normal amortization of the debt.

Debt of the business-type activities decreased in 2008 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, 2007 and 2008:

City of Pleasanton Long Term Debt Outstanding						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
State CALHFA Help Program note payable	\$ 95,000	\$ 322,487	\$ -	\$ -	\$ 95,000	\$ 322,487
State CALHFA Help Loan	1,500,000	1,500,000			1,500,000	1,500,000
Golf Course Capital Lease			448,682	296,531	448,682	296,531
2003 Certificates of Participation	26,130,000	25,225,000			26,130,000	25,225,000
2004 Refunding Lease Certificates of Participation	3,085,000	2,605,000			3,085,000	2,605,000
Notes Payable - Federal Financing Bank			319,203	274,117	319,203	274,117
2002 Sewer Revenue Bonds			1,195,000	820,000	1,195,000	820,000
2004 Water Revenue Bonds			2,300,000	1,645,000	2,300,000	1,645,000
2004 Sewer Revenue Bonds			1,380,000	1,190,000	1,380,000	1,190,000
TOTAL	\$ 30,810,000	\$ 29,652,487	\$ 5,642,885	\$ 4,225,648	\$ 36,452,885	\$ 33,878,135

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 Next Year's Budget and Rates

The assessed value for taxable property in the City increased 6.8% between fiscal year 2007 and fiscal year 2008. Property taxes increased between fiscal year 2007 and 2008 by 6.2% primarily as a result of transfers of ownership, new construction and the allowed 2% increase in base year values. The unemployment rate in Alameda County is 7.1% as of October 2008 as compared with 4.9% for October 2007. The required contribution rates as a percentage of payroll for the City's retirement funding, including the employee portion which is paid by the City, will be changing effective July 1, 2009 as follows:

- Miscellaneous Plan - 24.66%
- Safety Fire Plan - 34.04%
- Safety Police Plan (pooled) - 36.87%

At the time of the budget preparation for FY 2008-09, the economic outlook for the City was considered to be stable. The General Fund Budget for FY 2008-09 of approximately \$92.8 million was adopted with revenues and expenditures plus transfers in balance, not utilizing any reserves. This represents a 2.3% increase from the prior year budget.

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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pleasanton
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 209,227,261	\$ 36,807,729	\$ 246,034,990
Receivables (net):			
Accounts	7,149,629	4,252,253	11,401,882
Taxes	723,440	-	723,440
Grants	275,000	-	275,000
Interest	2,477,388	417,293	2,894,681
Internal balances	(1,689,737)	1,689,737	-
Inventory and prepaid items	67,349	115,769	183,118
Restricted cash and investments	406,282	620,850	1,027,132
Long-term receivable	-	130,408	130,408
Notes receivable	6,608,331	-	6,608,331
Bond issuance cost, net	770,976	125,049	896,025
Net investment in joint ventures	-	16,266,580	16,266,580
Capital assets:			
Nondepreciable	226,114,308	22,730,141	248,844,449
Depreciable, net	190,788,869	192,418,546	383,207,415
Total assets	642,919,096	275,574,355	918,493,451
LIABILITIES			
Accounts payable	5,926,238	6,905,875	12,832,113
Payroll payable	2,304,128	118,449	2,422,577
Interest payable	293,338	12,094	305,432
Refundable deposits	258,932	52,424	311,356
Unearned revenue	71,439	193,937	265,376
Long-term liabilities:			
Due within one fiscal year	3,171,006	1,460,385	4,631,391
Due in more than one fiscal year	33,496,664	2,765,263	36,261,927
Total liabilities	45,521,745	11,508,427	57,030,172
NET ASSETS			
Invested in capital assets, net of related debt	387,184,839	210,923,039	598,107,878
Restricted for:			
Debt service	406,282	620,850	1,027,132
Capital projects	39,125,715	-	39,125,715
Special projects	1,666,979	-	1,666,979
Community development	15,345,248	-	15,345,248
Total restricted net assets	56,544,224	620,850	57,165,074
Unrestricted net assets	153,668,288	52,522,039	206,190,327
Total net assets	\$ 597,397,351	\$ 264,065,928	\$ 861,463,279

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Activities
For the year ended June 30, 2008

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 11,467,763	\$ (1,538,952)	\$ 539,443	\$ -	\$ -
Public safety	47,939,264	-	15,748,044	1,268,315	-
Planning and community development	5,053,751	372	579,215	1,525,429	-
Public works	28,104,684	(1,023,857)	3,074,811	66,922	20,514,138
Community activities	20,009,075	857,798	4,005,599	230,078	1,093,005
Interest on long-term debt	1,202,153	-	-	-	-
Total governmental activities	113,776,690	(1,704,639)	23,947,112	3,090,744	21,607,143
Business-type activities:					
Water	16,242,412	428,683	15,535,004	-	2,474,901
Sewer	12,729,519	1,154,100	11,178,802	-	1,636,434
Golf	5,737,159	-	4,578,857	-	-
Transit	557,103	-	43,130	-	-
Storm drain	1,411,692	120,062	356,724	-	2,953,861
Cemetery	56,613	1,794	-	-	10,000
Pleasanton Housing Authority	372,050	-	159,226	-	-
Total business-type activities	37,106,548	1,704,639	31,851,743	-	7,075,196
Total primary government	\$ 150,883,238	\$ -	\$ 55,798,855	\$ 3,090,744	\$ 28,682,339

General Revenues:

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,389,368)	\$ -	\$ (9,389,368)
(30,922,905)	-	(30,922,905)
(2,949,479)	-	(2,949,479)
(3,424,956)	-	(3,424,956)
(15,538,191)	-	(15,538,191)
(1,202,153)	-	(1,202,153)
<u>(63,427,052)</u>	<u>-</u>	<u>(63,427,052)</u>
-	1,338,810	1,338,810
-	(1,068,383)	(1,068,383)
-	(1,158,302)	(1,158,302)
-	(513,973)	(513,973)
-	1,778,831	1,778,831
-	(48,407)	(48,407)
-	(212,824)	(212,824)
<u>-</u>	<u>115,752</u>	<u>115,752</u>
<u>(63,427,052)</u>	<u>115,752</u>	<u>(63,311,300)</u>
47,973,499	-	47,973,499
7,257,360	-	7,257,360
21,130,683	-	21,130,683
304,886	-	304,886
1,783,405	-	1,783,405
<u>78,449,833</u>	<u>-</u>	<u>78,449,833</u>
10,554,711	1,898,546	12,453,257
641,888	1,617,882	2,259,770
889,502	(889,502)	-
<u>90,535,934</u>	<u>2,626,926</u>	<u>93,162,860</u>
27,108,882	2,742,678	29,851,560
570,288,469	261,323,250	831,611,719
<u>\$ 597,397,351</u>	<u>\$ 264,065,928</u>	<u>\$ 861,463,279</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
ASSETS					
Cash and investments	\$ 21,262,971	\$ 14,498,581	\$ 1,407,125	\$ 80,932,993	\$ 118,101,670
Receivables (net):					
Accounts	4,986,303	43,460	148,241	1,950,146	7,128,150
Taxes	723,440	-	-	-	723,440
Grants	-	-	-	275,000	275,000
Interest	488,796	160,522	15,131	831,150	1,495,599
Due from other funds	1,179,226	-	-	-	1,179,226
Inventory	67,349	-	-	-	67,349
Restricted cash and investments	-	-	-	406,282	406,282
Notes receivable	73,353	6,534,978	-	-	6,608,331
Total assets	\$ 28,781,438	\$ 21,237,541	\$ 1,570,497	\$ 84,395,571	\$ 135,985,047
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,892,007	\$ 8,044	\$ 345,532	\$ 2,647,672	\$ 4,893,255
Payroll payable	1,398,898	-	904,494	-	2,303,392
Due to other funds	-	-	-	1,179,226	1,179,226
Refundable deposits	-	2,189	-	256,743	258,932
Deferred revenue	40,087	6,534,978	-	31,353	6,606,418
Total liabilities	3,330,992	6,545,211	1,250,026	4,114,994	15,241,223
Fund Balances:					
Reserved for:					
Encumbrances	575,907	-	-	-	575,907
Debt service	-	-	-	406,282	406,282
Inventory	67,349	-	-	-	67,349
Unreserved, designated:					
General fund	24,807,190	-	-	-	24,807,190
Special revenue funds	-	14,692,330	320,471	8,993,310	24,006,111
Capital project funds	-	-	-	70,880,985	70,880,985
Total fund balances	25,450,446	14,692,330	320,471	80,280,577	120,743,824
Total liabilities and fund balances	\$ 28,781,438	\$ 21,237,541	\$ 1,570,497	\$ 84,395,571	\$ 135,985,047

See accompanying Notes to Basic Financial Statements.

City of Pleasanton

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

June 30, 2008

Fund Balances - Total Governmental Funds	\$ 120,743,824
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 \$9,614,738.	<u>407,288,439</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>6,534,979</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>770,976</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>92,004,958</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	(25,225,000)
2004 Certificates of Participation	(2,605,000)
Note payable to State	(1,822,487)
Accrued interest payable	<u>(293,338)</u>
Total long-term liabilities	<u>(29,945,825)</u>
Net Assets of Governmental Activities	\$ 597,397,351

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, 2008

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 76,668,560	\$ -	\$ -	\$ -	\$ 76,668,560
Special assessments	-	-	-	196,784	196,784
Licenses	11,591	-	-	-	11,591
Permits	1,701,275	-	-	-	1,701,275
Fines and forfeitures	544,465	-	-	13,150	557,615
Use of money and property	1,368,362	945,201	56,916	3,935,953	6,306,432
Intergovernmental	950,399	-	494,417	4,471,732	5,916,548
Franchises	1,783,405	-	-	-	1,783,405
Charges for services	1,057,385	-	13,233,784	29,763	14,320,932
Development fees	389,752	795,436	-	5,217,914	6,403,102
Plan check fees	995,038	-	-	-	995,038
Reimbursements	1,485,911	239,406	71,680	246,748	2,043,745
Contributions and donations	9,337	-	1,785	6,016,314	6,027,436
Other revenues	3,371,950	-	-	464,637	3,836,587
Recreation charges	3,731,918	-	-	-	3,731,918
Total revenues	94,069,348	1,980,043	13,858,582	20,592,995	130,500,968
EXPENDITURES:					
Current:					
General government	12,405,156	-	-	-	12,405,156
Public safety	36,332,501	-	13,666,804	31,360	50,030,665
Planning and community development	4,074,432	862,172	-	904,557	5,841,161
Public works	15,596,778	-	-	194,275	15,791,053
Community activities	18,000,806	-	-	579,994	18,580,800
Capital outlay	598,824	3,732	126,765	17,344,390	18,073,711
Debt service:					
Principal	-	-	-	1,385,000	1,385,000
Interest, fiscal charges	-	-	-	1,167,388	1,167,388
Total expenditures	87,008,497	865,904	13,793,569	21,606,964	123,274,934
REVENUES OVER (UNDER) EXPENDITURES	7,060,851	1,114,139	65,013	(1,013,969)	7,226,034
OTHER FINANCING SOURCES (USES):					
Issuance of notes payable	-	227,487	-	-	227,487
Transfers in	32,380	-	240,573	10,812,527	11,085,480
Transfers out	(7,717,515)	-	-	(2,254,822)	(9,972,337)
Total other financing sources (uses)	(7,685,135)	227,487	240,573	8,557,705	1,340,630
Net change in fund balances	(624,284)	1,341,626	305,586	7,543,736	8,566,664
FUND BALANCES:					
Beginning of year	26,074,730	13,350,704	14,885	72,736,841	112,177,160
End of year	\$ 25,450,446	\$ 14,692,330	\$ 320,471	\$ 80,280,577	\$ 120,743,824

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, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ 8,566,664
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 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 \$1,955,044).	10,118,846
Depreciation (net of internal service funds of \$1,532,282).	(9,821,742)
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.	6,600,335
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.	(185,221)
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.	240,314
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.	-
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.	(40,015)
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 decreased by this amount.	5,250
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.	(227,487)
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:	
2003 Certificates of Participation	905,000
2004 Certificates of Participation	480,000
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.	10,466,938
Change in Net Assets of Governmental Activities	<u>\$ 27,108,882</u>

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, 2008

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf Fund		Other Non-major Enterprise Funds	Total	Internal Service Funds
			Facilities	Operations			
ASSETS							
Current assets:							
Cash and investments	\$ 20,445,121	\$ 11,800,704	\$ 3,047,578	\$ 75,576	\$ 1,438,750	\$ 36,807,729	\$ 91,125,591
Receivables (net):							
Accounts	2,942,732	1,086,420	208,653	10,394	4,054	4,252,253	21,479
Interest	235,341	140,872	28,352	-	12,728	417,293	981,789
Inventory and prepaid items	-	-	-	115,769	-	115,769	-
Restricted cash and investments	361,445	259,405	-	-	-	620,850	-
Total current assets	<u>23,984,639</u>	<u>13,287,401</u>	<u>3,284,583</u>	<u>201,739</u>	<u>1,455,532</u>	<u>42,213,894</u>	<u>92,128,859</u>
Noncurrent assets:							
Long-term receivable	130,408	-	-	-	-	130,408	-
Bond issuance costs, net of accumulated amortization	49,782	75,267	-	-	-	125,049	-
Net investment in joint ventures	-	16,266,580	-	-	-	16,266,580	-
Advances to other funds	473,000	-	-	-	-	473,000	-
Capital assets:							
Nondepreciable	7,822,838	1,097,622	12,434,327	-	1,375,354	22,730,141	742,618
Depreciable, net	76,952,336	61,584,104	28,368,890	489,465	25,023,751	192,418,546	8,872,120
Total noncurrent assets	<u>85,428,364</u>	<u>79,023,573</u>	<u>40,803,217</u>	<u>489,465</u>	<u>26,399,105</u>	<u>232,143,724</u>	<u>9,614,738</u>
Total assets	<u>109,413,003</u>	<u>92,310,974</u>	<u>44,087,800</u>	<u>691,204</u>	<u>27,854,637</u>	<u>274,357,618</u>	<u>101,743,597</u>
LIABILITIES							
Current liabilities:							
Accounts payable	4,345,469	2,172,562	81,280	221,978	84,586	6,905,875	1,032,983
Payroll payable	75,555	32,295	-	-	10,599	118,449	736
Interest payable	-	-	-	-	12,094	12,094	-
Refundable deposits	-	-	-	39,820	12,604	52,424	-
Deferred revenue	60,019	-	-	126,706	7,212	193,937	-
Accrued compensated absences	-	-	-	-	-	-	675,536
Claims payable	-	-	-	-	-	-	1,070,470
Capital leases payable - due within one year	-	-	-	147,373	-	147,373	-
Notes payable - due within one year	-	-	-	-	48,012	48,012	-
Bonds payable - due within one year	670,000	595,000	-	-	-	1,265,000	-
Total current liabilities	<u>5,151,043</u>	<u>2,799,857</u>	<u>81,280</u>	<u>535,877</u>	<u>175,107</u>	<u>8,743,164</u>	<u>2,779,725</u>
Noncurrent liabilities:							
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	4,216,751
Claims payable - due in more than one year	-	-	-	-	-	-	1,052,426
Capital leases payable - due in more than one year	-	-	-	149,158	-	149,158	-
Notes payable - due in more than one year	-	-	-	-	226,105	226,105	-
Bonds payable - due in more than one year	975,000	1,415,000	-	-	-	2,390,000	-
Advances from other funds	-	-	473,000	-	-	473,000	-
Total noncurrent liabilities	<u>975,000</u>	<u>1,415,000</u>	<u>473,000</u>	<u>149,158</u>	<u>226,105</u>	<u>3,238,263</u>	<u>5,269,177</u>
Total liabilities	<u>6,126,043</u>	<u>4,214,857</u>	<u>554,280</u>	<u>685,035</u>	<u>401,212</u>	<u>11,981,427</u>	<u>8,048,902</u>
NET ASSETS							
Invested in capital assets, net of related debt	83,130,174	60,671,726	40,803,217	192,934	26,124,988	210,923,039	9,614,738
Restricted for:							
Debt service	361,445	259,405	-	-	-	620,850	-
Unrestricted	19,795,341	27,164,986	2,730,303	(186,765)	1,328,437	50,832,302	84,079,957
Total net assets	<u>\$ 103,286,960</u>	<u>\$ 88,096,117</u>	<u>\$ 43,533,520</u>	<u>\$ 6,169</u>	<u>\$ 27,453,425</u>	<u>262,376,191</u>	<u>\$ 93,694,695</u>

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.

Net assets of business-type activities	<u>1,689,737</u>
	<u>\$ 264,065,928</u>

City of Pleasanton
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2008

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf Fund		Other	Total	Internal
			Facilities	Operations	Non-major Enterprise Funds		Service Funds
OPERATING REVENUES:							
Charges for services	\$ 16,783,494	\$ 11,177,075	\$ -	\$ 4,578,857	\$ 704,813	\$ 33,244,239	\$ 38,315,681
Connection fees	66,600	80,962	-	-	-	147,562	-
Miscellaneous	23,506	194,969	834,612	-	564,794	1,617,881	127,132
Total operating revenues	16,873,600	11,453,006	834,612	4,578,857	1,269,607	35,009,682	38,442,813
OPERATING EXPENSES:							
Personnel services	2,497,855	1,198,412	-	1,539,464	1,069,191	6,304,922	26,192,771
Transportation	102,027	52,332	-	-	-	154,359	-
Repairs and maintenance	133,671	66,926	-	521,276	103,589	825,462	-
Materials, supplies, and services	12,548,798	9,569,590	926,745	1,221,737	558,496	24,825,366	4,166,758
Amortization	8,065	34,054	-	-	-	42,119	-
Depreciation	2,864,122	2,587,801	1,404,315	108,883	956,727	7,921,848	1,532,282
Total operating expenses	18,154,538	13,509,115	2,331,060	3,391,360	2,688,003	40,074,076	31,891,811
OPERATING INCOME (LOSS)	(1,280,938)	(2,056,109)	(1,496,448)	1,187,497	(1,418,396)	(5,064,394)	6,551,002
NONOPERATING							
REVENUES (EXPENSES):							
Interest income	1,081,303	629,982	121,739	-	65,522	1,898,546	4,516,296
Interest expense	(51,756)	(73,500)	-	(14,739)	(19,116)	(159,111)	-
Equity interest in loss from joint ventures	-	(488,498)	-	-	-	(488,498)	-
Gain (loss) from sale of capital assets	(161)	-	-	-	-	(161)	(6,118)
Total nonoperating revenues (expenses)	1,029,386	67,984	121,739	(14,739)	46,406	1,250,776	4,510,178
Net income (loss) before contributions and transfers	(251,552)	(1,988,125)	(1,374,709)	1,172,758	(1,371,990)	(3,813,618)	11,061,180
Capital contributions	2,474,901	1,636,434	-	-	2,963,861	7,075,196	-
Transfers in	20,000	-	1,216,225	49,636	705,064	1,990,925	16,932
Transfers out	-	(20,000)	(1,644,201)	(1,216,225)	-	(2,880,426)	(240,573)
Change in net assets	2,243,349	(371,691)	(1,802,685)	6,169	2,296,935	2,372,077	10,837,539
NET ASSETS:							
Beginning of year	101,043,611	88,467,808	45,336,205	-	25,156,490		82,857,156
End of year	<u>\$ 103,286,960</u>	<u>\$ 88,096,117</u>	<u>\$ 43,533,520</u>	<u>\$ 6,169</u>	<u>\$ 27,453,425</u>		<u>\$ 93,694,695</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.

370,601

Change in net assets of business-type activities \$ 2,742,678

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2008

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf Fund		Other	Total	Internal
			Facilities	Operations	Non-major Enterprise Funds		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash receipt from customers	\$ 17,113,462	\$ 11,219,525	\$ (208,653)	\$ 4,556,782	\$ 644,636	\$ 33,325,752	\$ 38,322,434
Cash payment to suppliers for goods and services	(11,446,797)	(8,783,258)	(896,992)	(1,730,092)	(618,102)	(23,475,241)	(4,826,148)
Cash payment to employees for services	(2,486,936)	(1,199,820)	-	(1,539,464)	(1,067,511)	(6,293,731)	(25,767,796)
Miscellaneous revenue	19,606	194,969	834,612	-	564,794	1,613,981	127,132
Net cash provided (used) by operating activities	3,199,335	1,431,416	(271,033)	1,287,226	(476,183)	5,170,761	7,855,622
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Miscellaneous contributions	-	-	-	-	-	-	-
Transfer in	20,000	-	1,135,000	108,936	705,064	1,969,000	16,932
Transfer out	-	(20,000)	(1,704,681)	(1,135,000)	-	(2,859,681)	(240,573)
Net cash provided (used) by noncapital financing activities	20,000	(20,000)	(569,681)	(1,026,064)	705,064	(890,681)	(223,641)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on long-term debt	(655,000)	(565,000)	-	(150,971)	(45,086)	(1,416,057)	-
Interest payments	(51,756)	(73,500)	-	(14,739)	(21,067)	(161,062)	-
Capital asset acquisition	(5,949,923)	(5,620)	-	(19,876)	(190,079)	(6,165,498)	(1,955,044)
Proceeds from sale of capital assets	-	-	-	-	-	-	44,478
Net cash provided (used) by capital and related financing activities	(6,656,679)	(644,120)	-	(185,586)	(256,232)	(7,742,617)	(1,910,566)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received	1,151,373	637,999	147,053	-	68,274	2,004,699	4,552,786
Net cash provided (used) by investing activities	1,151,373	637,999	147,053	-	68,274	2,004,699	4,552,786
Net increase (decrease) in cash and cash equivalents	(2,285,971)	1,405,295	(693,661)	75,576	40,923	(1,457,838)	10,274,201
CASH AND CASH EQUIVALENTS:							
Beginning of year	23,092,537	10,654,814	3,741,239	-	1,397,827	38,886,417	80,851,390
End of year	<u>\$ 20,806,566</u>	<u>\$ 12,060,109</u>	<u>\$ 3,047,578</u>	<u>\$ 75,576</u>	<u>\$ 1,438,750</u>	<u>\$ 37,428,579</u>	<u>\$ 91,125,591</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,280,938)	\$ (2,056,109)	\$ (1,496,448)	\$ 1,187,497	\$ (1,418,396)	\$ (5,064,394)	\$ 6,551,002
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	2,872,187	2,621,855	1,404,315	108,883	956,727	7,963,967	1,532,282
Decrease (increase) in:							
Accounts receivable	263,368	(38,512)	(208,653)	(1,347)	340	15,196	6,753
Inventory and prepaid items	-	-	-	31,228	-	31,228	-
Increase (decrease) in:							
Accounts payable	1,337,699	905,590	29,753	(31,262)	43,983	2,285,763	(334,574)
Accrued payroll	10,919	(1,408)	-	-	1,680	11,191	(4,586)
Deferred revenue	(3,900)	-	-	12,955	(60,281)	(51,226)	-
Refundable deposits	-	-	-	(20,728)	(236)	(20,964)	-
Accrued benefits payable	-	-	-	-	-	-	429,561
Claims payable	-	-	-	-	-	-	(324,816)
Net cash provided (used) by operating activities	\$ 3,199,335	\$ 1,431,416	\$ (271,033)	\$ 1,287,226	\$ (476,183)	\$ 5,170,761	\$ 7,855,622
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Capital assets contributed by developers	\$ 2,474,901	\$ 1,636,434	\$ -	\$ -	\$ 2,963,861	\$ 7,075,196	\$ -
Total noncash capital and related financing activities	\$ 2,474,901	\$ 1,636,434	\$ -	\$ -	\$ 2,963,861	\$ 7,075,196	\$ -

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private-Purpose Trust	Agency
ASSETS		
Cash and investments	\$ 518,127	\$ 15,655,159
Receivables (net):		
Accounts	2,393	281,784
Interest	5,763	1,017,103
Restricted cash and investments	-	1,463
Notes receivable	-	855,735
Total assets	526,283	\$ 17,811,244
LIABILITIES		
Accounts payable	-	\$ 1,153,360
Due to bondholders	-	14,948,996
Due to employees	-	11,376
Deposits	-	1,697,512
Total liabilities	-	\$ 17,811,244
NET ASSETS		
Net assets	\$ 526,283	

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, 2008

ADDITIONS:

Investment income	\$ 26,707
Miscellaneous	900
Total additions	<u>27,607</u>

DEDUCTIONS:

Public works	8,888
Changes in net assets	<u>18,719</u>

NET ASSETS:

Beginning of year	<u>507,564</u>
End of year	<u>\$ 526,283</u>

See accompanying Notes to Basic Financial Statements.

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City of Pleasanton
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For the year ended June 30, 2008

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2008

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, 2008

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. 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, 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 has elected not to apply applicable FASB Statement and Interpretations issued after November 30, 1989.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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.

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund 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.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Fund Net 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.

The City reports the following major enterprise funds:

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

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

The Golf Fund - accounts for the facilities and operations of the City’s golf course. Beginning this year, the City has elected to present the facilities and operations in separate columns on the Proprietary Fund Financial Statements. The facilities section accounts for the golf course infrastructure and accumulation of funds for payment of golf debt service. The operations section accounts for the daily operation and maintenance of the golf course. The City currently contracts with Pleasanton Golf LLC to manage and maintain the golf course and facilities.

The City reports the following internal service funds:

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fund 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 fiduciary funds:

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

The 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, 2008

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

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. *Capital Assets, Continued*

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.

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, 2008 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

N. Net Assets / Fund Equity

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. Use of Restricted and Unrestricted Net Assets

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

P. 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.

Q. 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Implementation of New GASB Pronouncements

In 2008, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues – This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific revenues. In addition, this Statement establishes accounting and financial reporting standards that apply to all intra-entity transfers of assets and future revenues.
- GASB Statement No. 50, Pension Disclosures – An amendment of GASB Statements No. 25 and 27 – This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI).

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, 2008:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 209,227,261	\$ 36,807,729	\$ 16,173,286	\$ 262,208,276
Restricted cash and investments	406,282	620,850	1,463	1,028,595
Total	\$ 209,633,543	\$ 37,428,579	\$ 16,174,749	\$ 263,236,871

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

2. CASH AND INVESTMENTS, Continued

At June 30, 2008 the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value
	June 30, 2008
City Treasury:	
Deposits:	
Cash on hand	\$ 4,150
Deposits with banks	954,178
Certificates of deposits	202,815
Total deposits	<u>1,161,143</u>
Investments:	
U.S. government treasuries	101,113,193
U.S. government agencies	110,302,413
Money market	8,098,594
California Local Agency Investment Fund	41,532,933
Total investments	<u>261,047,133</u>
Total City Treasury	<u>262,208,276</u>
Cash with Fiscal Agent	<u>1,028,595</u>
Total City and fiscal agent cash and investments	<u><u>\$ 263,236,871</u></u>

A. Deposits

At June 30, 2008, the carrying amount of the City's cash deposits had a positive balance of \$954,178 and the bank balance was \$2,762,761. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$607,816 was covered by federal depository insurance, and \$2,154,945 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, 2008

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, 2008, was \$1,028,595 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, 2008 from the fiscal year ended June 30, 2007, amounted to an unrealized increase of \$1,941,084.

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, 2008, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 3
U.S. Government treasuries	\$ 101,113,193	\$ 51,314,623	\$ 49,798,570
U.S. Government agencies	110,302,413	45,836,445	64,465,968
California Local Agency Investment Fund	41,532,933	41,532,933	-
Money market	8,098,594	8,098,594	-
Total	\$ 261,047,133	\$ 146,782,595	\$ 114,264,538

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, 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:

	<u>Moody's</u>	<u>Standard & Poor's</u>
U.S. Agencies		
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
U.S. Treasury Money Market Funds		
Fidelity - Treasury Only	Aaa	AAA
External Pool		
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>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 45,156,903	17.30%
Federal Home Loan Bank	15,998,610	6.13%
Federal Home Loan Mortgage Corporation	34,341,469	13.16%
Federal National Mortgage Association	13,866,651	5.31%
	<u>\$ 109,363,633</u>	<u>41.89%</u>
<u>Fidelity - Treasury Only Mutual Fund</u>	\$ 8,098,594	3.10%

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and the State Controller. The 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, 2008 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 2008, the City had \$41,532,933 invested in LAIF, which had invested 14.72% of the pool investment funds in Structured Notes and Asset-Backed Securities. Fair value of LAIF was calculated by applying a factor of 0.999950219 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, 2008, the City held \$6,065,463 in callable securities, which amounted to less than 3% of investments at June 30, 2008.

The following table summarizes the notes receivable outstanding as of June 30, 2008:

	Government-Wide		
	Statement of Net Assets Governmental Activities	Fiduciary Funds Statement of Net Assets	Total
Housing Loans	\$ 6,534,978	\$ -	\$ 6,534,978
Sewer Loans	73,353	-	73,353
City of Dublin Loan	-	855,735	855,735
Total	\$ 6,608,331	\$ 855,735	\$ 7,464,066

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

3. NOTES RECEIVABLE

Housing 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. In addition to home loans, the City has also given loans to private developers for the development of affordable housing for seniors and low income residents. The outstanding amount due to the City as of June 30, 2008 was \$6,534,978.

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, 2008 was \$73,353.

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, 2008 was \$855,735.

4. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds

The General Fund provides cash flow assistance to various grant funds. As of June 30, 2008, balances of due to/from other funds were as follows:

	Due from other funds
Due to other funds	General Fund
Non-major Governmental Funds	\$ 1,179,226
Total	\$ 1,179,226

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 \$7,012,451 to non-major governmental funds as its annual contribution to fund miscellaneous and park capital improvement projects. \$1,268,147 was transferred between non-major governmental funds for various capital improvement projects. Transfers between funds also occur to cover debt service payments. Golf Operations transferred \$1,216,225 to Golf Facilities to cover a portion of the golf enterprise's \$1,594,565 transfer to a non-major governmental fund for debt service. \$937,364 was transferred between non-major governmental funds also for debt service. The General Fund also transferred \$705,064 to non-major enterprise funds to support transportation, cemetery and storm drain operations.

Transfers in/out for the year ended June 30, 2008, were as follows:

		Transfers In								
		Major Fund						Non-major		
		Non-Major	LPFD Fund		Water	Golf Fund		Non-major	Internal	
		Governmental	General	Livermore	Enterprise	Facilities	Operations	Enterprise	Service	Total
		Fund	Fund	Share Only	Fund			Funds		
Transfers Out	General Fund	\$ 7,012,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 705,064	\$ -	\$ 7,717,515
	Non-major:									
	Governmental Funds	2,205,511	32,380	-	-	-	-	-	16,932	2,254,822
	Internal Service	-	-	240,573	-	-	-	-	-	240,573
	Sewer Enterprise	-	-	-	20,000	-	-	-	-	20,000
	Golf Fund:									
	Facilities	1,594,565	-	-	-	-	49,636	-	-	1,644,201
Operations	-	-	-	-	1,216,225	-	-	-	1,216,225	
Total		\$ 10,812,527	\$ 32,380	\$ 240,573	\$ 20,000	\$ 1,216,225	\$ 49,636	\$ 705,064	\$ 16,932	\$ 13,093,337

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance 6/30/07	Additions	Retirements	Transfers	Balance 6/30/08
Governmental activities:					
Nondepreciable assets:					
Land	\$ 208,555,743	\$ 518,550	\$ -	\$ -	\$ 209,074,293
Construction in progress	14,639,249	9,722,919	-	(7,322,153)	17,040,015
Total nondepreciable assets	223,194,992	10,241,469	-	(7,322,153)	226,114,308
Depreciable assets:					
Infrastructure	246,950,752	6,757,400	(2,463,761)	1,602,497	252,846,888
Accumulated depreciation	(121,652,126)	(6,946,341)	2,287,002	-	(126,311,465)
Buildings	52,770,043	-	-	5,478,027	58,248,070
Accumulated depreciation	(13,226,784)	(1,098,151)	-	-	(14,324,935)
Improvements other than buildings	37,006,828	-	-	215,198	37,222,026
Accumulated depreciation	(23,025,021)	(1,361,407)	-	-	(24,386,428)
Machinery and equipment	18,604,150	1,110,070	(523,272)	26,431	19,217,379
Accumulated depreciation	(13,744,765)	(1,174,482)	464,214	-	(14,455,033)
Vehicles	9,543,083	565,286	(220,243)	-	9,888,126
Accumulated depreciation	(6,602,359)	(773,643)	220,243	-	(7,155,759)
Net depreciable assets	186,623,801	(2,921,268)	(235,817)	7,322,153	190,788,869
Governmental activities capital assets, net	\$ 409,818,793	\$ 7,320,201	\$ (235,817)	\$ -	\$ 416,903,177
Business-type activities:					
Nondepreciable assets:					
Land	\$ 14,037,798	\$ 237,000	\$ -	\$ -	\$ 14,274,798
Construction in progress	10,598,543	6,002,976	-	(8,146,176)	8,455,343
Total nondepreciable assets	24,636,341	6,239,976	-	(8,146,176)	22,730,141
Depreciable assets:					
Infrastructure	237,643,513	6,388,495	-	231,096	244,263,104
Accumulated depreciation	(100,736,857)	(5,903,717)	-	-	(106,640,574)
Buildings	28,022,311	110,315	-	4,987,015	33,119,641
Accumulated depreciation	(9,888,444)	(296,625)	-	-	(10,185,069)
Improvements other than buildings	30,297,595	-	-	-	30,297,595
Accumulated depreciation	(3,266,710)	(1,286,908)	-	-	(4,553,618)
Machinery and equipment	6,759,841	501,909	(7,206)	2,928,065	10,182,609
Accumulated depreciation	(3,645,041)	(427,147)	7,045	-	(4,065,143)
Vehicles	344,185	-	(33,600)	-	310,585
Accumulated depreciation	(336,733)	(7,451)	33,600	-	(310,584)
Net depreciable assets	185,193,660	(921,129)	(161)	8,146,176	192,418,546
Business-type activities capital assets, net	\$ 209,830,001	\$ 5,318,847	\$ (161)	\$ -	\$ 215,148,687

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

5. CAPITAL ASSETS, Continued

A. Depreciation

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 167,220
Public safety	1,094,800
Planning and community development	5,899
Public works	7,745,648
Community activities	2,340,457
Total depreciation expense - governmental functions	\$ 11,354,024

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

Water	\$ 2,864,122
Sewer	2,587,801
Golf	1,513,198
Transit	7,581
Storm drain	860,078
Housing Authority	89,068
Total depreciation expense - business-type functions	\$ 7,921,848

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2008:

	Balance			Amounts		
	July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year	Due in More than One Year
Governmental Activities:						
2003 Certificates of Participation	\$ 26,130,000	\$ -	\$ (905,000)	\$ 25,225,000	\$ 935,000	\$ 24,290,000
2004 Refunding Lease Certificates of Participation	3,085,000	-	(480,000)	2,605,000	490,000	2,115,000
CALHFA Help Loan	1,500,000	-	-	1,500,000	-	1,500,000
State CALHFA Help Program note payable	95,000	227,487	-	322,487	-	322,487
Claims payable (Note 7)	2,447,712	745,654	(1,070,470)	2,122,896	1,070,470	1,052,426
Compensated absences (Note 8)	4,462,725	3,588,447	(3,158,885)	4,892,287	675,536	4,216,751
Total governmental activities	\$ 37,720,437	\$ 4,561,588	\$ (5,614,355)	\$ 36,667,670	\$ 3,171,006	\$ 33,496,664
Business-type Activities:						
Note payable, Federal Financing Bank	\$ 319,203	\$ -	\$ (45,086)	\$ 274,117	\$ 48,012	\$ 226,105
Golf Course Capital Lease	448,682	-	(152,151)	296,531	147,373	149,158
2002 Sewer Revenue Refunding Bonds	1,195,000	-	(375,000)	820,000	400,000	420,000
2004 Water Revenue Refunding Bonds	2,300,000	-	(655,000)	1,645,000	670,000	975,000
2004 Sewer Revenue Refunding Bonds	1,380,000	-	(190,000)	1,190,000	195,000	995,000
Total business-type activities	\$ 5,642,885	\$ -	\$ (1,417,237)	\$ 4,225,648	\$ 1,460,385	\$ 2,765,263

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

6. LONG-TERM LIABILITIES, Continued

Long-term debt at June 30, 2008, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2008
Governmental Activities:					
2003 Certificates of Participation	2032	3 - 4.75%	\$265 - \$1,530	\$ 28,425,000	\$ 25,225,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$330 - \$490	4,040,000	2,605,000
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	322,487
Total governmental activities					\$ 29,652,487
Business-type Activities:					
Note payable, Federal Financing Bank	2012	6.6%	\$66 - \$66	882,636	\$ 274,117
Golf Course Capital Leases	2010	3.39 - 24.6%	\$136 - \$151	731,012	296,531
2002 Sewer Revenue Refunding Bonds	2009	2 - 3.75%	\$260 - \$420	2,820,000	820,000
2004 Water Revenue Refunding Bonds	2014	2 - 3.5%	\$150 - \$670	3,595,000	1,645,000
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$155 - \$195	1,760,000	1,190,000
Total business-type activities					\$ 4,225,648

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, 2008

6. LONG-TERM LIABILITIES, Continued

CALHFA Help Loan

On September 8, 2005, the City 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. The loans to homebuyers are 10 year loans with an interest rate of 3%. After the homebuyers repay the City in full, the City will then repay the State. As of June 30, 2008, \$322,487 in second mortgages was 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, 2005, 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. There are also four equipment leases that were entered into agreement in 2005 by Courseco, the company hired by the City to manage the operations of the golf course. The total cost of these lease agreements, two with Dell Financial Services for computer equipment and two with Marlin Leasing for telephone equipment, are \$33,167. Courseco will make monthly payments of \$1,214 through 2008. At the end of the lease terms, all the equipment will be owned by the City.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 Sewer Revenue Refunding Bonds

On December 8, 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.

The Indentures for both the 2002 Sewer Revenue Refunding Bonds and the 2004 Sewer Revenue Refunding Bonds require the City to pledge its annual Net Sewer Revenues (defined as operating income plus depreciation, interest income and non-operating income) in an amount equal to 125% of the combined annual debt service requirement each fiscal year, through final maturity of the bonds on September 1, 2009 and September 1, 2014 respectively, or early retirement of the bonds, whichever first occurs. At June 30, 2008, the ratio of Net Sewer Revenues to the debt service payments due during Fiscal Year 2008 was 2.79 (279.0%).

2004 Water Revenue Refunding Bonds

On December 8, 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.

The Indenture for the 2004 Water Revenue Refunding Bonds requires the City to pledge its annual Net Water Revenues (defined as operating income plus depreciation, interest income and non-operating income) in an amount equal to 125% of the annual debt service requirement each fiscal year, through final maturity of the bonds on September 1, 2014 or early retirement of the bonds, whichever first occurs. At June 30, 2008, the ratio of Net Water Revenues to the debt service payments due during Fiscal Year 2008 was 2.79 (279.0%).

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

6. LONG-TERM LIABILITIES, Continued

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2008:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
2009	\$ 935,000	\$ 1,061,015	\$ 490,000	\$ 68,588
2010	965,000	1,032,515	330,000	59,483
2011	995,000	1,002,120	335,000	51,000
2012	1,030,000	968,690	345,000	41,303
2013	650,000	939,399	355,000	30,536
2014 - 2018	3,640,000	4,297,189	750,000	25,393
2019 - 2023	4,465,000	3,451,353	-	-
2024 - 2028	5,560,000	2,323,906	-	-
2029 - 2033	6,985,000	860,344	-	-
Total	\$ 25,225,000	\$ 15,936,530	\$ 2,605,000	\$ 276,301

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2008:

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
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	58,217	7,937	-	-	160,000	19,419	165,000	19,838
2013	62,046	4,107	-	-	165,000	14,441	165,000	14,784
2014 - 2015	-	-	-	-	345,000	12,056	355,000	12,403
Total	\$ 274,117	\$ 56,650	\$ 820,000	\$ 30,625	\$ 1,645,000	\$ 136,866	\$ 1,190,000	\$ 134,634

Year Ending June 30,	Golf Course Capital Leases	
	Principal	Interest
2009	\$ 147,373	\$ 8,240
2010	149,158	3,177
Total	\$ 296,531	\$ 11,417

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 governmental 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:

	Outstanding June 30, 2008
Pleasanton Joint Powers Financing Authority Local Obligation Bonds:	
2004 Series A Reassessment Revenue Bonds	\$ 115,000
2004 Series B Reassessment Revenue Bonds	35,950,000
Total	\$ 36,065,000

Conduit Debt

The City has issued two separate Multifamily Housing Revenue Bonds, the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of multifamily rental housing facilities located in the City. The projects include 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.

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.

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.

Legal Debt Limit

As of June 30, 2008, the City's debt limit and legal debt margin (15% of 25% of valuation subject to taxation) was \$619,510,917.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008.

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 third party personal injuries and/or damage to property, employment practices liability, workers compensation claims, and damage to or destruction of City property and vehicles. The City has a self retained limit for these various risks. Over the City's self retained limits, the City has coverage through a number of risk sharing public entity pools. For example, general liability claims over \$100,000 are covered through the Bay Cities Joint Powers Insurance Authority (Bay Cities) and the California Affiliated Risk Management Authorities (CARMA). Similarly, employment practices liability claims between \$75,000 and \$1,000,000 are covered through the Employment Risk Management Authority (ERMA) and claims between \$1,000,000 and \$2,000,000 by Bay Cities. In the opinion of City management, premiums paid to Bay Cities (which in turn pays premiums to others, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

The City's self retained limits and maximum coverage is as follows:

Coverage	Self Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability (including auto and errors/ommissions)	\$ 100,000	\$ 25,000,000	Bay Cities/CARMA
Employment Practice Liability	75,000	2,000,000	ERMA/Bay Cities
Workers' Compensation	1,000,000	300,000,000	LAWCX
All Risk Property	10,000	150,000,000*	PEPIP

* There are sublimits for some exposures

The self retained limit for All Risk Property coverage was reduced from \$50,000 to \$10,000 from the prior fiscal year. All claims have been settled within the maximum coverage in the past three fiscal years.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 workers compensation program and makes payments of the amounts needed to pay prior and current-year claims and to establish a reserve for future losses. The reserves are \$6,244,848 and \$8,427,461 at June 30, 2008 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$1,662,988 and \$459,908 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in the funds as claims payable at June 30, 2008. The general and employment practices claims liabilities in the Self Insurance Retention 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,	
	2008	2007
Unpaid claims, beginning of year	\$ 2,447,712	\$ 2,734,514
Incurred claims and changes in estimates	745,654	3,117,021
Claim payments	(1,070,470)	(3,403,823)
Unpaid claims, end of year	\$ 2,122,896	\$ 2,447,712

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 \$4,892,287. Compensated absences are expected to be liquidated using resources primarily from the general fund.

9. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL

The City participates in three 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, 2008

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, 2008. 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 \$16,266,580 as of June 30, 2008. Financial statements for the LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

East Bay Regional Communications System Authority (EBRCSA)

In July 2007, the City joined the East Bay Regional Communications System Authority (EBRCSA). The Authority was formed to govern the regional communications system servicing Alameda and Contra Costa Counties, as well as many cities and special districts within the East Bay. The Authority is governed by 23 board of directors selected from participating counties and cities. The City paid \$36,100 this fiscal year towards its share of operating costs. Financial statements for the EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, CA 94568.

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, 2008

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
Reserved:				
Encumbrances	\$ 575,907	\$ -	\$ -	\$ -
Debt Service	-	-	-	406,282
Inventory	67,349	-	-	-
Total reserved	643,256	-	-	406,282
Unreserved, designated:				
Economic uncertainty	9,410,000	-	-	-
Carryovers	2,497,190	-	-	-
Golf Debt Service	2,000,000	-	-	-
Capital projects	3,000,000	-	-	70,880,985
Special purposes	-	14,692,330	320,471	8,993,310
Temporary recession	7,900,000	-	-	-
Total unreserved designated	24,807,190	14,692,330	320,471	79,874,295
Total Fund Equity	\$ 25,450,446	\$ 14,692,330	\$ 320,471	\$ 80,280,577

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 \$4,095,111 for the year ended June 30, 2008. The City's employer required contributions rate for Safety Fire employees was 24.891%, for Safety Police employees was 28.109%, and for Miscellaneous employees was 16.615% for the fiscal year.

Funding Status - As of June 30, 2007, the most recent actuarial date, the City's miscellaneous and fire safety plans had \$99,884,770 and \$98,338,352 in plan net assets and \$129,278,577 and \$119,964,910 in accrued liability, which resulted in unfunded liability of \$29,393,807 and \$21,626,558, respectively.

Annual Pension Cost - For 2007-2008, the City's annual pension cost of \$10,020,619 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2005 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 volatility in the market value of investments over a fifteen 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, 2005 was 17 years for safety police, 32 years for safety fire and 30 years for miscellaneous employees for prior and current service unfunded liability.

The table on the following page shows the City's required contributions and the percentage contributed for the current year and each of the preceding two years for each of the City's pension plans.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

11. DEFINED BENEFIT PENSION PLAN, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year Ending	Miscellaneous Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2006	4,277,144	
6/30/2007	4,022,664	100%	-
6/30/2008	4,220,587	100%	-

Fiscal Year Ending	Police Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2006	2,267,853	
6/30/2007	2,405,345	100%	-
6/30/2008	2,548,795	100%	-

Fiscal Year Ending	Fire Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2006	3,063,088	
6/30/2007	2,973,778	100%	-
6/30/2008	3,251,237	100%	-

12. POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

The City provides post retirement health care benefits, in accordance with certain employee agreements, to all employees who retire directly from the City with a minimum of 5 years of service. 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 up to a maximum of 100% of the City's current Kaiser Early Retiree Health Plan coverage, except for management employees that have an option to use a second alternative, based on years of CalPERS 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 Early Retiree Health Plan coverage in accordance with the applicable MOU. Currently, there are 223 retirees receiving this benefit.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description, Continued

The following plan design changes were negotiated with IAFF (International Association of Firefighters) in an effort to limit the growth in future liability. For employees in IAFF retiring from service after January 1, 2008, the City shall pay for each year of service, four percent (4%) of the City's monthly premium based on the lowest HMO medical plan for the employee and one dependent. Effective July 1, 2009, the City contribution toward any increase in medical plan premiums will also be limited to a maximum of 15%. Also, effective January 1, 2008 co-pays for office visits and prescription drugs were increased.

The City's GASB Statement No. 45 implementation date is June 30, 2009 to either establish an irrevocable trust and pre-fund the benefit with existing assets, or reflect a net Other Postemployment Benefits (OPEB) obligation in the entity-wide financial statements. No decision has yet been made in that regard. However, since assets have been accumulated for this purpose and the liability has been estimated, the following information is being disclosed.

B. OPEB Reserves

The City's contributions are recorded in the Retirees' Insurance Reserve and Livermore-Pleasanton Fire Retirees' Insurance Reserve Internal Services Funds (Funds). The following schedule identifies the beginning balance, annual contributions, payment of benefits, and ending balance for the reserves that are being accumulated for the purpose of paying retiree medical benefits.

	Retiree Medical Reserve Funds		
	Retirees Insurance		LPFD Reserve
	Reserve	Reserve	
June 30, 2007 Balance	\$ 25,669,133	\$ 10,873,045	\$ 36,542,178
2007-08 Contributions	4,628,400	1,400,000	6,028,400
2007-08 Interest Income	1,502,489	618,512	2,121,001
*Pay-as-you-go benefits	(1,219,382)	(310,083)	(1,529,465)
June 30, 2008 Balance	<u>\$ 30,580,640</u>	<u>\$ 12,581,474</u>	<u>\$ 43,162,114</u>

*includes \$47,245 in professional services for legal and actuarial services but does not include an implicit rate subsidy of \$459,000

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Estimated OPEB Measures – GASB #45 Basis

The following schedule reflects the estimated Actuarial Accrued Liability (AAL) at June 30, 2007 under two scenarios, one with an earnings assumption of 4.25% and one with 7.75%.

	OPEB Estimates at June 30, 2007	
	4.25%	7.75%
Actuarial Accrued Liability (AAL)		
Non-Fire	\$ 77,045,000	\$ 50,876,000
Fire	41,467,000	26,197,000
Total	\$ 118,512,000	\$ 77,073,000

The Annual Required Contribution (ARC) is the amount an employer would contribute to pre-funding the plan using GASB #45 measures. Based upon the AAL at June 30, 2007 the calculation of the 2007-08 Annual Required Contribution (ARC) is shown in the schedule below. The estimates for the 2007-08 ARC are shown in two scenarios; one with existing assets not invested in an irrevocable trust with an earnings assumption of 4.25% and another with assets invested in an irrevocable trust with earnings assumptions of 7.75% and amortized over either a 20 year or 30 year period. These two scenarios are intended as low and high “book end” measures. The ARC is likely to fall between these two numbers once GASB #45 is implemented. It is the intention of the City of Pleasanton to begin prefunding using these measures prior to June 30, 2009, the required implementation date for GASB #45.

	Annual Required Contribution (ARC)			
	4.25%		7.75%	
	20 year	30 year	20 year	30 year
2007-08 ARC without investing Reserves in irrevocable Trust	\$ 12,367,000	\$ 10,328,000		
Percent of Payroll	29.4%	24.6%		
2007-08 ARC after investing Reserves in irrevocable Trust			\$ 5,696,000	\$ 5,038,000
Percent of Payroll			13.5%	12.0%

Note: The actual 2007-08 contribution to reserves was \$6,028,400.
The budgeted contribution for 2008-09 is \$5,680,320.

The amounts that will be reported in the City’s annual financial report when Statement #45 is implemented will depend on the actuarial methods and assumptions chosen for the actuarial valuation and whether the plan is administered as a qualified OPEB plan trust. These estimates are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Estimated OPEB Measures – GASB #45 Basis, Continued

The entry age normal actuarial cost method was used to calculate these estimates. The actuarial assumptions included 4.25% and 7.75% investment rates of return (net of administrative expenses), and annual healthcare cost trend rates for medical of 11% (12% for PPO's) initially decreasing to 4.5% (5% for PPO's) over ten years. Salary scale and demographic assumptions for withdrawal, mortality, disability, and retirement rates were based on the CalPERS 1997 - 2002 experience study (2.7% at 55 for Miscellaneous and 3% at 50 for Fire).

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 \$59,256 during the year representing its share of the fiscal year 2008 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. This will be the second of two BART stations in the City of Pleasanton. Pursuant to an agreement, 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 when the station begins operation, expected in 2009. In, addition, a 350-unit apartment complex is proposed on a portion of the BART property.

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

13. COMMITMENTS AND CONTINGENCIES, Continued

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, 2008. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amounts
Bernal Community Park Phase I	\$ 4,895,298
Bernal Avenue Bridge and Street Widening	4,295,633
Firehouse Arts Center	1,912,407
Alviso Adobe Community Park	1,655,498
Annual Sidewalk, Curb and Gutter Replacement	397,621
Traffic Signal Installation at Bernal & I680 and Vineyard & Pietronave	391,896
Sewer Pump Station #6 Replacement	374,867
Gingerbread Play Yard Renovation	295,491
Vineyard Avenue Reservoir & Pump Station	257,016
Total	\$ 14,475,727

REQUIRED SUPPLEMENTARY INFORMATION

City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2008

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, 2008

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 78,429,675	\$ 77,157,675	\$ 76,668,560	\$ (489,115)
Licenses	12,131	12,131	11,591	(540)
Permits	2,272,066	1,572,066	1,701,275	129,209
Fines and forfeitures	553,866	553,866	544,465	(9,401)
Use of money and property	892,303	1,140,303	1,368,362	228,059
Intergovernmental	1,077,892	1,116,835	950,399	(166,436)
Franchises	1,748,740	1,823,740	1,783,405	(40,335)
Development fees	439,295	439,295	389,752	(49,543)
Plan check fees	1,025,453	935,453	995,038	59,585
Charges for services	1,507,698	1,159,698	1,057,385	(102,313)
Contribution and donations	3,000	3,000	9,337	6,337
Other revenues	3,475,418	3,521,672	3,371,950	(149,722)
Reimbursements	693,317	924,791	1,485,911	561,120
Recreation	3,839,559	3,810,178	3,731,918	(78,260)
Total revenues	95,970,413	94,170,703	94,069,348	(101,355)
EXPENDITURES:				
Current:				
General government	13,910,453	13,309,327	12,405,156	904,171
Public safety	36,717,160	36,823,072	36,332,501	490,571
Planning and community development	3,910,462	4,476,528	4,074,432	402,096
Public works	16,817,689	15,897,342	15,596,778	300,564
Community activities	19,200,719	19,188,256	18,000,806	1,187,450
Capital outlay	543,150	1,011,581	598,824	412,757
Total expenditures	91,099,633	90,706,106	87,008,497	3,697,609
REVENUES OVER (UNDER) EXPENDITURES	4,870,780	3,464,597	7,060,851	3,596,254
OTHER FINANCING SOURCES (USES):				
Transfers in	32,380	32,380	32,380	-
Transfers out	(7,343,160)	(7,355,610)	(7,717,515)	(361,905)
Total other financing sources	(7,310,780)	(7,323,230)	(7,685,135)	(361,905)
Net change in fund balances	\$ (2,440,000)	\$ (3,858,633)	(624,284)	\$ 3,234,349
FUND BALANCES:				
Beginning of year			26,074,730	
End of year			\$ 25,450,446	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2008

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)
REVENUES:				
Use of money and property	\$ 621,000	\$ 686,000	\$ 945,201	\$ 259,201
Development fees	649,048	293,092	795,436	502,344
Reimbursements	-	165,145	239,406	74,261
Total revenues	<u>1,270,048</u>	<u>1,144,237</u>	<u>1,980,043</u>	<u>835,806</u>
EXPENDITURES:				
Current:				
Planning and community development	506,088	1,164,723	862,172	302,551
Capital outlay	-	-	3,732	(3,732)
Total expenditures	<u>506,088</u>	<u>1,164,723</u>	<u>865,904</u>	<u>298,819</u>
REVENUES OVER (UNDER) EXPENDITURES	763,960	(20,486)	1,114,139	1,134,625
OTHER FINANCING SOURCES (USES):				
Proceeds from notes payable	-	250,000	227,487	(22,513)
Total other financing sources (uses)	<u>-</u>	<u>250,000</u>	<u>227,487</u>	<u>(22,513)</u>
Net change in fund balances	<u>\$ 763,960</u>	<u>\$ 229,514</u>	1,341,626	<u>\$ 1,112,112</u>
FUND BALANCES:				
Beginning of year, as restated			<u>13,350,704</u>	
End of year			<u>\$ 14,692,330</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2008

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)
REVENUES:				
Use of money and property	\$ 35,000	\$ 22,000	\$ 56,916	\$ 34,916
Intergovernmental	-	648,135	494,417	(153,718)
Charges for services	12,663,769	12,963,082	13,233,784	270,702
Reimbursements	9,000	18,010	71,680	53,670
Contribution and donations	-	1,785	1,785	-
Other revenues	10,754	13,201	-	(13,201)
Total revenues	12,718,523	13,666,213	13,858,582	192,369
EXPENDITURES:				
Current:				
Public safety	12,714,873	13,456,663	13,666,804	(210,141)
Capital outlay	3,650	460,906	126,765	334,141
Total expenditures	12,718,523	13,917,569	13,793,569	124,000
REVENUES OVER (UNDER) EXPENDITURES	-	(251,356)	65,013	316,369
OTHER FINANCING SOURCES (USES):				
Transfers in	-	240,573	240,573	-
Total other financing sources (uses)	-	240,573	240,573	-
Net change in fund balances	\$ -	\$ (10,783)	305,586	\$ 316,369
FUND BALANCES:				
Beginning of year			14,885	
End of year			\$ 320,471	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2008

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
6/30/2005	83,925,772	104,238,395	20,312,623	80.5%	11,703,881	173.6%
6/30/2006	90,841,578	111,700,371	20,858,793	81.3%	12,203,017	170.9%
6/30/2007	98,338,352	119,964,910	21,626,558	82.0%	12,316,218	175.6%

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	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2005	79,274,450	104,511,771	25,237,321	75.9%	22,078,225	114.3%
6/30/2006	89,223,377	116,328,913	27,105,536	76.7%	24,085,823	112.5%
6/30/2007	99,884,770	129,278,577	29,393,807	77.3%	25,014,077	117.5%

SUPPLEMENTAL INFORMATION

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City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 8,499,045	\$ -	\$ 72,433,948	\$ 80,932,993
Receivables:				
Accounts	1,747,536	-	202,610	1,950,146
Grants	275,000	-	-	275,000
Interest	92,882	-	738,268	831,150
Restricted cash and investments	-	406,282	-	406,282
Total assets	\$ 10,614,463	\$ 406,282	\$ 73,374,826	\$ 84,395,571
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 410,574	\$ -	\$ 2,237,098	\$ 2,647,672
Due to other funds	1,179,226	-	-	1,179,226
Deposits	-	-	256,743	256,743
Deferred revenue	31,353	-	-	31,353
Total liabilities	1,621,153	-	2,493,841	4,114,994
Fund Balances:				
Reserved	-	406,282	-	406,282
Unreserved designated for:				
Capital projects	-	-	70,880,985	70,880,985
Specific purposes	8,993,310	-	-	8,993,310
Total fund balances	8,993,310	406,282	70,880,985	80,280,577
Total liabilities and fund balances	\$ 10,614,463	\$ 406,282	\$ 73,374,826	\$ 84,395,571

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Special assessments	\$ 196,784	\$ -	\$ -	\$ 196,784
Fines and forfeitures	13,150	-	-	13,150
Use of money and property	379,629	14,386	3,541,938	3,935,953
Intergovernmental	4,471,732	-	-	4,471,732
Charges for service	29,763	-	-	29,763
Development fees	-	-	5,217,914	5,217,914
Reimbursements	171,348	-	75,400	246,748
Contributions and donations	656,812	-	5,359,502	6,016,314
Other revenues	464,637	-	-	464,637
Total revenues	6,383,855	14,386	14,194,754	20,592,995
EXPENDITURES:				
Current:				
Public safety	31,360	-	-	31,360
Planning and community development	904,557	-	-	904,557
Public works	179,188	-	15,087	194,275
Community activities	460,780	-	119,214	579,994
Capital outlay	3,028,810	-	14,315,580	17,344,390
Debt service:				
Principal	-	1,385,000	-	1,385,000
Interest and fiscal charges	-	1,167,388	-	1,167,388
Total expenditures	4,604,695	2,552,388	14,449,881	21,606,964
REVENUES OVER (UNDER) EXPENDITURES	1,779,160	(2,538,002)	(255,127)	(1,013,969)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,531,930	8,280,597	10,812,527
Transfers out	(298,006)	-	(1,956,816)	(2,254,822)
Total other financing sources (uses)	(298,006)	2,531,930	6,323,781	8,557,705
Net change in fund balances	1,481,154	(6,072)	6,068,654	7,543,736
FUND BALANCES:				
Beginning of year	7,512,156	412,354	64,812,331	72,736,841
End of year	\$ 8,993,310	\$ 406,282	\$ 70,880,985	\$ 80,280,577

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.

Prop 1B Street Repair Bond

This fund accounts for moneys received from the State to fund the maintenance and improvement of local transportation facilities.

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.

Traffic Grants

This fund receives grants from State and Federal agencies for various traffic related projects.

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, 2008

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
ASSETS						
Cash and investments	\$ 28,833	\$ 49,638	\$ 1,794	\$ 676,710	\$ 211,590	\$ 385,382
Receivables:						
Accounts	-	-	-	140,520	-	586
Grants	-	-	-	-	-	-
Interest	322	788	2,005	8,639	1,506	4,260
Total assets	\$ 29,155	\$ 50,426	\$ 3,799	\$ 825,869	\$ 213,096	\$ 390,228
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,380	\$ -	\$ -	\$ 172,951	\$ -	\$ 61,416
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	2,380	-	-	172,951	-	61,416
Fund Balances:						
Unreserved designated for:						
Special purposes	26,775	50,426	3,799	652,918	213,096	328,812
Total fund balances	26,775	50,426	3,799	652,918	213,096	328,812
Total liabilities and fund balances	\$ 29,155	\$ 50,426	\$ 3,799	\$ 825,869	\$ 213,096	\$ 390,228

Geologic Hazard Assessment Districts	Measure B Street Repair	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 572,132	\$ 1,904,867	\$ 1,122,682	\$ 2,293,431	\$ -	\$ -	\$ 248,396	\$ 241,815
2,284	196,017	-	405,376	85,494	44,862	-	30,786
-	-	-	-	-	-	-	-
6,362	20,549	8,345	25,862	-	-	2,825	2,691
<u>\$ 580,778</u>	<u>\$ 2,121,433</u>	<u>\$ 1,131,027</u>	<u>\$ 2,724,669</u>	<u>\$ 85,494</u>	<u>\$ 44,862</u>	<u>\$ 251,221</u>	<u>\$ 275,292</u>
\$ -	\$ 25,957	\$ 540	\$ 86,242	\$ 4,582	\$ -	\$ -	\$ 879
-	-	-	-	80,912	44,862	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>25,957</u>	<u>540</u>	<u>86,242</u>	<u>85,494</u>	<u>44,862</u>	<u>-</u>	<u>879</u>
580,778	2,095,476	1,130,487	2,638,427	-	-	251,221	274,413
<u>580,778</u>	<u>2,095,476</u>	<u>1,130,487</u>	<u>2,638,427</u>	<u>-</u>	<u>-</u>	<u>251,221</u>	<u>274,413</u>
<u>\$ 580,778</u>	<u>\$ 2,121,433</u>	<u>\$ 1,131,027</u>	<u>\$ 2,724,669</u>	<u>\$ 85,494</u>	<u>\$ 44,862</u>	<u>\$ 251,221</u>	<u>\$ 275,292</u>

(Continued)

City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2008

	Library Trust Fund	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
ASSETS						
Cash and investments	\$ 10,552	\$ 681,596	\$ 35,793	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	212,543	-	16,005	38,413	-
Grants	-	-	-	-	-	275,000
Interest	115	7,946	396	-	-	-
Total assets	\$ 10,667	\$ 902,085	\$ 36,189	\$ 16,005	\$ 38,413	\$ 275,000
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 16,206	\$ -	\$ 13,728	\$ 25,693	\$ -
Due to other funds	-	201,330	-	2,277	195	275,000
Deposits	-	-	-	-	-	-
Deferred revenue	-	18,828	-	-	12,525	-
Total liabilities	-	236,364	-	16,005	38,413	275,000
Fund Balances:						
Unreserved designated for:						
Special purposes	10,667	665,721	36,189	-	-	-
Total fund balances	10,667	665,721	36,189	-	-	-
Total liabilities and fund balances	\$ 10,667	\$ 902,085	\$ 36,189	\$ 16,005	\$ 38,413	\$ 275,000



<u>State Park Bonds</u>	<u>Downtown Economic Loan</u>	<u>Disaster Relief</u>	<u>Federal ISTE Program</u>	<u>Total</u>
\$ -	\$ 24,466	\$ 9,368	\$ -	\$ 8,499,045
207,650	-	-	367,000	1,747,536
-	-	-	-	275,000
-	271	-	-	92,882
<u>\$ 207,650</u>	<u>\$ 24,737</u>	<u>\$ 9,368</u>	<u>\$ 367,000</u>	<u>\$ 10,614,463</u>

\$ -	\$ -	\$ -	\$ -	\$ 410,574
207,650	-	-	367,000	1,179,226
-	-	-	-	-
-	-	-	-	31,353
<u>207,650</u>	<u>-</u>	<u>-</u>	<u>367,000</u>	<u>1,621,153</u>

-	24,737	9,368	-	8,993,310
-	24,737	9,368	-	8,993,310
<u>\$ 207,650</u>	<u>\$ 24,737</u>	<u>\$ 9,368</u>	<u>\$ 367,000</u>	<u>\$ 10,614,463</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, 2008

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,862
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	1,319	3,327	10,159	35,776	6,535	18,714
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	3,465	-	28,000	-	122,914	-
Other	-	17,120	-	434,921	-	11,565
Total revenues	4,784	20,447	38,159	470,697	129,449	160,141
EXPENDITURES:						
Current:						
Public safety	18,160	1,200	-	-	-	-
Planning and community development	-	-	-	799,862	-	-
Public works	-	-	-	-	-	-
Community activities	-	-	-	-	4,986	139,523
Capital outlay	-	-	-	-	12,000	-
Total expenditures	18,160	1,200	-	799,862	16,986	139,523
REVENUES OVER (UNDER) EXPENDITURES	(13,376)	19,247	38,159	(329,165)	112,463	20,618
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(32,380)	(265,626)	-	-	-
Total other financing source	-	(32,380)	(265,626)	-	-	-
Net change in fund balances	(13,376)	(13,133)	(227,467)	(329,165)	112,463	20,618
FUND BALANCES:						
Beginning of year	40,151	63,559	231,266	982,083	100,633	308,194
End of year	\$ 26,775	\$ 50,426	\$ 3,799	\$ 652,918	\$ 213,096	\$ 328,812

Geologic Hazard Assessment Districts	Measure B	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 66,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	13,150
28,935	89,192	24,610	104,927	-	-	12,836	12,435
-	910,288	1,105,877	1,218,505	109,899	44,862	-	-
-	-	-	-	-	-	29,763	-
-	-	-	-	-	-	-	26,542
-	-	-	-	-	-	-	-
1,031	-	-	-	-	-	-	-
<u>96,888</u>	<u>999,480</u>	<u>1,130,487</u>	<u>1,323,432</u>	<u>109,899</u>	<u>44,862</u>	<u>42,599</u>	<u>52,127</u>
-	-	-	-	-	-	12,000	-
-	-	-	-	3,843	-	-	-
25,095	27,723	-	-	-	-	-	-
-	-	-	-	-	-	-	20,605
-	614,495	-	1,589,354	106,056	44,862	-	-
<u>25,095</u>	<u>642,218</u>	<u>-</u>	<u>1,589,354</u>	<u>109,899</u>	<u>44,862</u>	<u>12,000</u>	<u>20,605</u>
<u>71,793</u>	<u>357,262</u>	<u>1,130,487</u>	<u>(265,922)</u>	<u>-</u>	<u>-</u>	<u>30,599</u>	<u>31,522</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>71,793</u>	<u>357,262</u>	<u>1,130,487</u>	<u>(265,922)</u>	<u>-</u>	<u>-</u>	<u>30,599</u>	<u>31,522</u>
<u>508,985</u>	<u>1,738,214</u>	<u>-</u>	<u>2,904,349</u>	<u>-</u>	<u>-</u>	<u>220,622</u>	<u>242,891</u>
<u>\$ 580,778</u>	<u>\$ 2,095,476</u>	<u>\$ 1,130,487</u>	<u>\$ 2,638,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,221</u>	<u>\$ 274,413</u>

(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, 2008

	Library Trust Fund	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	488	27,206	1,832	-	-	-
Intergovernmental	-	350,867	-	-	185,174	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	18,436	-	126,370	-	-
Contributions and donations	2,233	500,200	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	2,721	896,709	1,832	126,370	185,174	-
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Planning and community development	-	-	-	-	100,852	-
Public works	-	-	-	126,370	-	-
Community activities	-	295,666	-	-	-	-
Capital outlay	-	31,461	-	-	84,322	-
Total expenditures	-	327,127	-	126,370	185,174	-
REVENUES OVER (UNDER) EXPENDITURES	2,721	569,582	1,832	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (t)	-	-	-	-	-	-
Net change in fund balances	2,721	569,582	1,832	-	-	-
FUND BALANCES:						
Beginning of year	7,946	96,139	34,357	-	-	-
End of year	\$ 10,667	\$ 665,721	\$ 36,189	\$ -	\$ -	\$ -

State Park Bonds	Downtown Economic Loan	Disaster Relief	Federal ISTE Program	Total
\$ -	\$ -	\$ -	\$ -	\$ 196,784
-	-	-	-	13,150
-	1,338	-	-	379,629
179,260	-	-	367,000	4,471,732
-	-	-	-	29,763
-	-	-	-	171,348
-	-	-	-	656,812
-	-	-	-	464,637
179,260	1,338	-	367,000	6,383,855
-	-	-	-	31,360
-	-	-	-	904,557
-	-	-	-	179,188
-	-	-	-	460,780
179,260	-	-	367,000	3,028,810
179,260	-	-	367,000	4,604,695
-	1,338	-	-	1,779,160
-	-	-	-	-
-	-	-	-	(298,006)
-	-	-	-	(298,006)
-	1,338	-	-	1,481,154
-	23,399	9,368	-	7,512,156
\$ -	\$ 24,737	\$ 9,368	\$ -	\$ 8,993,310

(Concluded)

City of Pleasanton
Budgetary Comparison Schedule
D.A.R.E Trust Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,200	\$ 1,000	\$ 1,319	\$ 319
Contributions and donations	7,000	7,000	3,465	(3,535)
Total revenues	8,200	8,000	4,784	(3,216)
EXPENDITURES:				
Current:				
Public safety	6,000	24,793	18,160	6,633
Total expenditures	6,000	24,793	18,160	6,633
Net change in fund balances	\$ 2,200	\$ (16,793)	(13,376)	\$ 3,417
FUND BALANCES:				
Beginning of year			40,151	
End of year			\$ 26,775	

City of Pleasanton
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Other	9,000	16,696	17,120	424
Use of money and property	2,000	2,000	3,327	1,327
Total revenues	11,000	18,696	20,447	1,751
EXPENDITURES:				
Current:				
Public safety	-	6,230	1,200	5,030
Capital outlay	-	-	-	-
Total expenditures	-	6,230	1,200	(5,030)
OTHER FINANCING SOURCES (USES):				
Transfers out	(32,380)	(32,380)	(32,380)	-
Total other financing sources (uses)	(32,380)	(32,380)	(32,380)	-
Net change in fund balances	\$ (21,380)	\$ (19,914)	(13,133)	\$ 6,781
FUND BALANCES:				
Beginning of year			63,559	
End of year			\$ 50,426	

City of Pleasanton
Budgetary Comparison Schedule
CBD Parking In-Lieu Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 8,000	\$ 10,000	\$ 10,159	\$ 159
Contributions and donations	-	28,000	28,000	-
Total revenues	8,000	38,000	38,159	159
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(265,626)	(265,626)	-
Total other financing sources (uses)	-	(265,626)	(265,626)	-
Net change in fund balances	\$ 8,000	\$ (227,626)	(227,467)	\$ 159
FUND BALANCES:				
Beginning of year			231,266	
End of year			\$ 3,799	

City of Pleasanton
Budgetary Comparison Schedule
Resource Management Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 20,000	\$ 25,000	35,776	\$ 10,776
Other	404,000	461,722	434,921	(26,801)
Total revenues	<u>424,000</u>	<u>486,722</u>	<u>470,697</u>	<u>(16,025)</u>
EXPENDITURES:				
Current:				
Planning and community development	760,000	1,157,299	799,862	357,437
Total expenditures	<u>760,000</u>	<u>1,157,299</u>	<u>799,862</u>	<u>357,437</u>
Net change in fund balances	<u>\$ (336,000)</u>	<u>\$ (670,577)</u>	<u>(329,165)</u>	<u>\$ 341,412</u>
FUND BALANCES:				
Beginning of year			<u>982,083</u>	
End of year			<u>\$ 652,918</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Donations Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,080	\$ 3,080	\$ 6,535	\$ 3,455
Contributions and donations	-	12,982	122,914	109,932
Other	-	-	-	-
Total revenues	3,080	16,062	129,449	113,387
EXPENDITURES:				
Current:				
Community activities	-	5,000	4,986	(14)
Capital Outlay	-	12,000	12,000	-
Total expenditures	-	17,000	16,986	(14)
Net change in fund balances	\$ 3,080	\$ (938)	112,463	\$ 113,401
FUND BALANCES:				
Beginning of year			100,633	
End of year			\$ 213,096	

City of Pleasanton
Budgetary Comparison Schedule
Landscape and Lighting Districts
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 129,947	\$ 129,947	\$ 129,862	\$ (85)
Use of money and property	9,300	10,500	18,714	8,214
Other	11,565	11,565	11,565	-
Total revenues	150,812	152,012	160,141	8,129
EXPENDITURES:				
Current:				
Community activities	141,371	141,371	139,523	1,848
Total expenditures	141,371	141,371	139,523	1,848
Net change in fund balances	\$ 9,441	\$ 10,641	20,618	\$ 9,977
FUND BALANCES:				
Beginning of year			308,194	
End of year			\$ 328,812	

City of Pleasanton
Budgetary Comparison Schedule
Geologic Hazard Assessment Districts
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 62,645	\$ 62,645	\$ 66,922	\$ 4,277
Use of money and property	16,600	18,800	28,935	10,135
Other	958	1,031	1,031	-
Total revenues	80,203	82,476	96,888	14,412
EXPENDITURES:				
Current:				
Public works	62,450	66,945	25,095	41,850
Total expenditures	62,450	66,945	25,095	41,850
Net change in fund balances	\$ 17,753	\$ 15,531	71,793	\$ 56,262
FUND BALANCES:				
Beginning of year			508,985	
End of year			\$ 580,778	

City of Pleasanton
Budgetary Comparison Schedule
Measure B Street Repair Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 46,000	\$ 89,192	\$ 43,192
Intergovernmental	1,006,797	1,016,619	910,288	(106,331)
Total revenues	1,021,797	1,062,619	999,480	(63,139)
EXPENDITURES:				
Current:				
Public works	21,860	34,689	27,723	6,966
Capital outlay	2,236,792	2,225,792	614,495	1,611,297
Total expenditures	2,258,652	2,260,481	642,218	1,618,263
Net change in fund balances	\$ (1,236,855)	\$ (1,197,862)	357,262	\$ 1,555,124
FUND BALANCES:				
Beginning of year			1,738,214	
End of year			\$ 2,095,476	

City of Pleasanton
Budgetary Comparison Schedule
Prop 1B Street Repair Bond
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 24,610	\$ 24,610
Intergovernmental	431,300	1,105,877	1,105,877	-
Total revenues	431,300	1,105,877	1,130,487	24,610
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ 431,300	\$ 1,105,877	1,130,487	\$ 24,610
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 1,130,487	

City of Pleasanton
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 40,000	\$ 45,686	\$ 104,927	\$ 59,241
Intergovernmental	1,217,500	1,217,500	1,218,505	1,005
Total revenues	1,257,500	1,263,186	1,323,432	60,246
EXPENDITURES:				
Capital outlay	3,561,646	3,518,681	1,589,354	1,929,327
Total expenditures	3,561,646	3,518,681	1,589,354	1,929,327
Net change in fund balances	\$ (2,304,146)	\$ (2,255,495)	(265,922)	\$ 1,989,573
FUND BALANCES:				
Beginning of year			2,904,349	
End of year			\$ 2,638,427	

City of Pleasanton
Budgetary Comparison Schedule
H.O.M.E. Program Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 164,833	\$ 626,668	\$ 109,899	\$ (516,769)
Total revenues	164,833	626,668	109,899	(516,769)
EXPENDITURES:				
Planning and community development	3,890	3,843	3,843	-
Capital outlay	160,943	622,825	106,056	516,769
Total expenditures	164,833	626,668	109,899	516,769
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
M.T.C. Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 178,149	\$ 90,000	\$ 44,862	\$ (45,138)
Total revenues	178,149	90,000	44,862	(45,138)
EXPENDITURES:				
Capital outlay	178,149	90,000	44,862	45,138
Total expenditures	178,149	90,000	44,862	45,138
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Abandoned Vehicle Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 7,000	\$ 7,000	\$ 12,836	\$ 5,836
Charge for services	29,500	29,500	29,763	263
Total revenues	36,500	36,500	42,599	6,099
EXPENDITURES:				
Current:				
Public safety	12,000	12,000	12,000	-
Total expenditures	12,000	12,000	12,000	-
Net change in fund balances	\$ 24,500	\$ 24,500	30,599	\$ 6,099
FUND BALANCES:				
Beginning of year			220,622	
End of year			\$ 251,221	

City of Pleasanton
Budgetary Comparison Schedule
Urban Forestry Program Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Contributions and donations	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	13,150	13,150	-
Use of money and property	7,000	8,500	12,435	3,935
Reimbursement	-	6,792	26,542	19,750
Total revenues	<u>7,000</u>	<u>28,442</u>	<u>52,127</u>	<u>23,685</u>
EXPENDITURES:				
Current:				
Community activities	22,170	22,170	20,605	1,565
Total expenditures	<u>22,170</u>	<u>22,170</u>	<u>20,605</u>	<u>1,565</u>
Net change in fund balances	<u>\$ (15,170)</u>	<u>\$ 6,272</u>	31,522	<u>\$ 25,250</u>
FUND BALANCES:				
Beginning of year			<u>242,891</u>	
End of year			<u>\$ 274,413</u>	

City of Pleasanton
Budgetary Comparison Schedule
Library Trust Fund Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 300	\$ 488	\$ 188
Contributions and donations	-	1,700	2,233	533
Total revenues	-	2,000	2,721	721
EXPENDITURES:				
Current:				
Community activities	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ 2,000	2,721	\$ 721
FUND BALANCES:				
Beginning of year			7,946	
End of year			\$ 10,667	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Grants Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 8,787	\$ 27,206	\$ 18,419
Intergovernmental	15,293	366,535	350,867	(15,668)
Contributions and Donation	-	500,000	500,200	200
Reimbursement	18,761	37,913	18,436	(19,477)
Total revenues	<u>34,054</u>	<u>913,235</u>	<u>896,709</u>	<u>(16,526)</u>
EXPENDITURES:				
Current:				
Public safety	34,054	462,301	295,666	166,635
Capital outlay	2	546,642	31,461	515,181
Total expenditures	<u>34,056</u>	<u>1,008,943</u>	<u>327,127</u>	<u>681,816</u>
Net change in fund balances	<u>\$ (2)</u>	<u>\$ (95,708)</u>	569,582	<u>\$ 665,290</u>
FUND BALANCES:				
Beginning of year			<u>96,139</u>	
End of year			<u>\$ 665,721</u>	

City of Pleasanton
Budgetary Comparison Schedule
Ridgeview Commons Housing Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,200	\$ 1,832	\$ 632
Other	-	-	-	-
Total revenues	<u>1,000</u>	<u>1,200</u>	<u>1,832</u>	<u>632</u>
EXPENDITURES:				
Current:				
Planning and community development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,000</u>	<u>\$ 1,200</u>	<u>1,832</u>	<u>\$ 632</u>
FUND BALANCES:				
Beginning of year			<u>34,357</u>	
End of year			<u>\$ 36,189</u>	

City of Pleasanton
Budgetary Comparison Schedule
HBPOA Maintenance District Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Reimbursements	\$ 98,550	\$ 108,550	\$ 126,370	\$ 17,820
Total revenues	98,550	108,550	126,370	17,820
EXPENDITURES:				
Public works	98,550	98,550	126,370	(27,820)
Total expenditures	98,550	98,550	126,370	(27,820)
Net change in fund balances	\$ -	\$ 10,000	-	\$ (10,000)
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 285,395	\$ 516,429	\$ 185,174	\$ (331,255)
Total revenues	285,395	516,429	185,174	(331,255)
EXPENDITURES:				
Current:				
Planning and community development	99,889	101,677	100,852	825
Capital outlay	185,506	414,752	84,322	330,430
Total expenditures	285,395	516,429	185,174	331,255
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Grants Special Revenue Fund
For the year ended June 30, 2008

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

City of Pleasanton
Budgetary Comparison Schedule
State Park Bonds Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 841,870	\$ 841,870	\$ 179,260	\$ (662,610)
Total revenues	841,870	841,870	179,260	(662,610)
EXPENDITURES:				
Capital outlay	841,870	841,870	179,260	662,610
Total expenditures	841,870	841,870	179,260	662,610
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Downtown Economic Loan Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 1,000	\$ 1,338	\$ 338
Total revenues	500	1,000	1,338	338
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ 500	\$ 1,000	1,338	\$ 338
FUND BALANCES:				
Beginning of year			23,399	
End of year			\$ 24,737	

City of Pleasanton
Budgetary Comparison Schedule
Disaster Relief Special Revenue Fund
For the year ended June 30, 2008

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

City of Pleasanton
Budgetary Comparison Schedule
Federal ISTEPA Program Special Revenue Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 367,000	\$ 367,000	\$ 367,000	\$ -
Total revenues	367,000	367,000	367,000	-
EXPENDITURES:				
Capital outlay	367,000	367,000	367,000	-
Total expenditures	367,000	367,000	367,000	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

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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

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, 2008

	2003 COPs	2004 COPs	Total
ASSETS			
Restricted cash and investments	\$ 91	\$ 406,191	\$ 406,282
Total assets	\$ 91	\$ 406,191	\$ 406,282
FUND BALANCES			
Reserved for debt service	\$ 91	\$ 406,191	\$ 406,282
Total fund balances	\$ 91	\$ 406,191	\$ 406,282

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
For the year ended June 30, 2008

	2003 COPs	2004 COPs	Total
REVENUES:			
Use of money and property	\$ 740	\$ 13,646	\$ 14,386
Total operating revenues	<u>740</u>	<u>13,646</u>	<u>14,386</u>
EXPENDITURES:			
Debt service:			
Principal	905,000	480,000	1,385,000
Interest	1,088,615	78,773	1,167,388
Total expenditures	<u>1,993,615</u>	<u>558,773</u>	<u>2,552,388</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,992,875)</u>	<u>(545,127)</u>	<u>(2,538,002)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,992,561	539,369	2,531,930
Total other financing sources (uses)	<u>1,992,561</u>	<u>539,369</u>	<u>2,531,930</u>
Net change in fund balances	(314)	(5,758)	(6,072)
FUND BALANCES:			
Beginning of year	405	411,949	412,354
End of year	<u>\$ 91</u>	<u>\$ 406,191</u>	<u>\$ 406,282</u>

City of Pleasanton
Budgetary Comparison Schedule
2003 COPs Debt Service Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 740	\$ (260)
Total revenues	1,000	1,000	740	(260)
EXPENDITURES:				
Debt service:				
Principal	905,000	905,000	905,000	-
Interest, fiscal charges	1,088,615	1,088,615	1,088,615	-
Total expenditures	1,993,615	1,993,615	1,993,615	-
REVENUES OVER (UNDER) EXPENDITURES	(1,992,615)	(1,992,615)	(1,992,875)	(260)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,993,615	1,993,615	1,992,561	(1,054)
Total other financing sources (uses)	1,993,615	1,993,615	1,992,561	(1,054)
Net change in fund balances	\$ 1,000	\$ 1,000	(314)	\$ (1,314)
FUND BALANCES:				
Beginning of year			405	
End of year			\$ 91	

City of Pleasanton
Budgetary Comparison Schedule
2004 COPs Debt Service Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 15,000	\$ 13,646	\$ (1,354)
Total revenues	15,000	15,000	13,646	(1,354)
EXPENDITURES:				
Debt service:				
Principal	480,000	480,000	480,000	-
Interest, fiscal charges	78,773	78,773	78,773	-
Total expenditures	558,773	558,773	558,773	-
REVENUES OVER (UNDER) EXPENDITURES	(543,773)	(543,773)	(545,127)	(1,354)
OTHER FINANCING SOURCES (USES):				
Transfers in	558,779	558,773	539,369	(19,404)
Total other financing sources (uses)	558,779	558,773	539,369	(19,404)
Net change in fund balances	\$ 15,006	\$ 15,000	(5,758)	\$ (20,758)
FUND BALANCES:				
Beginning of year			411,949	
End of year			\$ 406,191	

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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.

CIP for Downtown and North Pleasanton

This fund was set up in fiscal year 07-08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

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.

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, 2008

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
ASSETS							
Cash and investments	\$ 17,896,501	\$ 4,567,738	\$ 3,744,498	\$ 4,421,741	\$ 8,897,854	\$ 4,230,923	\$ -
Receivables:							
Accounts	5,000	-	-	955	115,321	-	-
Interest	154,145	50,507	41,403	53,028	92,340	48,540	-
Total assets	\$ 18,055,646	\$ 4,618,245	\$ 3,785,901	\$ 4,475,724	\$ 9,105,515	\$ 4,279,463	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 272,613	\$ -	\$ 1,009	\$ 552,378	\$ 31,746	\$ 81,693	\$ -
Deposits	-	-	-	-	-	-	-
Total liabilities	272,613	-	1,009	552,378	31,746	81,693	-
Fund Balances:							
Unreserved, designated for capital projects	17,783,033	4,618,245	3,784,892	3,923,346	9,073,769	4,197,770	-
Total fund balances	17,783,033	4,618,245	3,784,892	3,923,346	9,073,769	4,197,770	-
Total liabilities and fund balances	\$ 18,055,646	\$ 4,618,245	\$ 3,785,901	\$ 4,475,724	\$ 9,105,515	\$ 4,279,463	\$ -

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
\$ 1,225,562	\$ 1,001,938	\$ 11,297,502	\$ 2,477,517	\$ 614,822	\$ 256,743	\$ 11,800,609	\$ 72,433,948
-	-	64,076	-	-	-	17,258	202,610
13,579	11,124	125,960	11,850	5,103	-	130,689	738,268
<u>\$ 1,239,141</u>	<u>\$ 1,013,062</u>	<u>\$ 11,487,538</u>	<u>\$ 2,489,367</u>	<u>\$ 619,925</u>	<u>\$ 256,743</u>	<u>\$ 11,948,556</u>	<u>\$ 73,374,826</u>
\$ 5,803	\$ 20,699	\$ 85,459	\$ -	\$ -	\$ -	\$ 1,185,698	\$ 2,237,098
-	-	-	-	-	256,743	-	256,743
<u>5,803</u>	<u>20,699</u>	<u>85,459</u>	<u>-</u>	<u>-</u>	<u>256,743</u>	<u>1,185,698</u>	<u>2,493,841</u>
1,233,338	992,363	11,402,079	2,489,367	619,925	-	10,762,858	70,880,985
<u>1,233,338</u>	<u>992,363</u>	<u>11,402,079</u>	<u>2,489,367</u>	<u>619,925</u>	<u>-</u>	<u>10,762,858</u>	<u>70,880,985</u>
<u>\$ 1,239,141</u>	<u>\$ 1,013,062</u>	<u>\$ 11,487,538</u>	<u>\$ 2,489,367</u>	<u>\$ 619,925</u>	<u>\$ 256,743</u>	<u>\$ 11,948,556</u>	<u>\$ 73,374,826</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, 2008

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
REVENUES:							
Use of money and property	\$ 739,974	\$ 256,041	\$ 184,393	\$ 264,374	\$ 434,734	\$ 214,208	\$ -
Intergovernmental	-	-	-	-	-	-	-
Development fees	-	-	267,940	145,605	81,600	552,470	-
Reimbursements	-	-	-	-	75,400	-	-
Contributions and donations	-	4,362,204	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	739,974	4,618,245	452,333	409,979	591,734	766,678	-
EXPENDITURES:							
Current:							
Public Safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	500
Community activities	9,789	-	1,431	-	-	-	-
Capital outlay	1,293,070	-	123,320	2,056,812	816,296	238,236	-
Total expenditures	1,302,859	-	124,751	2,056,812	816,296	238,236	500
REVENUES OVER (UNDER) EXPENDITURES	(562,885)	4,618,245	327,582	(1,646,833)	(224,562)	528,442	(500)
OTHER FINANCING SOURCES (USES):							
Transfers in	6,428,076	-	1,271	30,000	950,172	-	-
Transfers out	(1,204,594)	-	(221,460)	-	-	-	-
Total other financing sources (uses)	5,223,482	-	(220,189)	30,000	950,172	-	-
Net change in fund balances	4,660,597	4,618,245	107,393	(1,616,833)	725,610	528,442	(500)
FUND BALANCES:							
Beginning of year	13,122,436	-	3,677,499	5,540,179	8,348,159	3,669,328	500
End of year	\$ 17,783,033	\$ 4,618,245	\$ 3,784,892	\$ 3,923,346	\$ 9,073,769	\$ 4,197,770	\$ -

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
\$ 62,934	\$ 51,452	\$ 559,043	\$ 97,131	\$ 23,813	\$ -	\$ 653,841	\$ 3,541,938
-	-	-	-	-	-	-	-
-	-	-	-	4,170,299	-	-	5,217,914
-	-	-	-	-	-	-	75,400
-	-	997,298	-	-	-	-	5,359,502
-	-	-	-	-	-	-	-
62,934	51,452	1,556,341	97,131	4,194,112	-	653,841	14,194,754
-	-	-	-	-	-	-	-
-	-	-	14,587	-	-	-	15,087
39,306	-	68,688	-	-	-	-	119,214
-	24,774	1,592,574	-	4,000,000	-	4,170,498	14,315,580
39,306	24,774	1,661,262	14,587	4,000,000	-	4,170,498	14,449,881
23,628	26,678	(104,921)	82,544	194,112	-	(3,516,657)	(255,127)
-	-	-	16,701	-	-	854,377	8,280,597
-	-	(18,143)	-	-	-	(512,619)	(1,956,816)
-	-	(18,143)	16,701	-	-	341,758	6,323,781
23,628	26,678	(123,064)	99,245	194,112	-	(3,174,899)	6,068,654
1,209,710	965,685	11,525,143	2,390,122	425,813	-	13,937,757	64,812,331
\$ 1,233,338	\$ 992,363	\$ 11,402,079	\$ 2,489,367	\$ 619,925	\$ -	\$ 10,762,858	\$ 70,880,985

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 151,000	\$ 451,000	\$ 739,974	\$ 288,974
Intergovernmental	3,490	3,490	-	(3,490)
Reimbursements	-	-	-	-
Total revenues	<u>154,490</u>	<u>454,490</u>	<u>739,974</u>	<u>285,484</u>
EXPENDITURES:				
Current:				
Public Safety	-	-	-	-
Community activities	320,587	330,124	9,789	320,335
Capital outlay	17,536,122	18,340,745	1,293,070	17,047,675
Total expenditures	<u>17,856,709</u>	<u>18,670,869</u>	<u>1,302,859</u>	<u>17,368,010</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(17,702,219)</u>	<u>(18,216,379)</u>	<u>(562,885)</u>	<u>17,653,494</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,650,000	6,428,076	6,428,076	-
Transfers out	(765,414)	(1,220,117)	(1,204,594)	15,523
Total other financing sources (uses)	<u>4,884,586</u>	<u>5,207,959</u>	<u>5,223,482</u>	<u>15,523</u>
Net change in fund balances	<u>\$ (12,817,633)</u>	<u>\$ (13,008,420)</u>	4,660,597	<u>\$ 17,669,017</u>
FUND BALANCES:				
Beginning of year			<u>13,122,436</u>	
End of year			<u>\$ 17,783,033</u>	

City of Pleasanton
Budgetary Comparison Schedule
CIP for Downtown and North Pleasanton
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 200,000	\$ 256,041	\$ 56,041
Contributions and donations	3,800,000	4,361,961	4,362,204	243
Reimbursements	-	-	-	-
Total revenues	<u>3,800,000</u>	<u>4,561,961</u>	<u>4,618,245</u>	<u>56,284</u>
EXPENDITURES:				
Current:				
Public Safety	-	-	-	-
Community activities	-	-	-	-
Capital outlay	3,800,000	3,800,000	-	3,800,000
Total expenditures	<u>3,800,000</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>761,961</u>	<u>4,618,245</u>	<u>3,856,284</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 761,961</u>	<u>4,618,245</u>	<u>\$ 3,856,284</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 4,618,245</u>	

City of Pleasanton
Budgetary Comparison Schedule
Capital Improvement Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 100,000	\$ 100,000	\$ 184,393	\$ 84,393
Intergovernmental	-	-	-	-
Development fees	200,729	102,411	267,940	165,529
Other revenues	-	-	-	-
Total revenues	<u>300,729</u>	<u>202,411</u>	<u>452,333</u>	<u>249,922</u>
EXPENDITURES:				
Current:				
Community activities	-	-	1,431	(1,431)
Capital outlay	2,740,273	2,661,286	123,320	2,537,966
Total expenditures	<u>2,740,273</u>	<u>2,661,286</u>	<u>124,751</u>	<u>2,536,535</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,271	1,271
Transfers out	(221,354)	(225,341)	(221,460)	3,881
Total other financing sources (uses)	<u>(221,354)</u>	<u>(225,341)</u>	<u>(220,189)</u>	<u>5,152</u>
Net change in fund balances	<u>\$ (2,660,898)</u>	<u>\$ (2,684,216)</u>	107,393	<u>\$ 2,791,609</u>
FUND BALANCES:				
Beginning of year			<u>3,677,499</u>	
End of year			<u>\$ 3,784,892</u>	

City of Pleasanton
Budgetary Comparison Schedule
Neighborhood Park Development Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 150,000	\$ 264,374	\$ 114,374
Development fees	911,715	67,949	145,605	77,656
Total revenues	911,715	217,949	409,979	192,030
EXPENDITURES:				
Capital outlay	5,049,010	5,047,289	2,056,812	2,990,477
Total expenditures	5,049,010	5,047,289	2,056,812	2,990,477
REVENUES OVER (UNDER) EXPENDITURES	(4,137,295)	(4,829,340)	(1,646,833)	3,182,507
OTHER FINANCING SOURCES (USES):				
Transfers in	30,000	30,000	30,000	-
Total other financing sources (uses)	30,000	30,000	30,000	-
Net change in fund balances	\$ (4,107,295)	\$ (4,799,340)	(1,616,833)	\$ 3,182,507
FUND BALANCES:				
Beginning of year			5,540,179	
End of year			\$ 3,923,346	

City of Pleasanton
Budgetary Comparison Schedule
Street Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 130,000	\$ 300,000	\$ 434,734	\$ 134,734
Development fees	50,000	50,000	81,600	31,600
Contributions and donations	-	-	-	
Reimbursements	-	18,415	75,400	56,985
Total revenues	180,000	368,415	591,734	223,319
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Capital outlay	8,958,895	8,750,899	816,296	7,934,603
Total expenditures	8,958,895	8,750,899	816,296	7,934,603
REVENUES OVER (UNDER) EXPENDITURES	(8,778,895)	(8,382,484)	(224,562)	8,157,922
OTHER FINANCING SOURCES (USES):				
Transfers in	1,211,250	1,007,500	950,172	(57,328)
Total other financing sources (uses)	1,211,250	1,007,500	950,172	(57,328)
Net change in fund balances	\$ (7,567,645)	\$ (7,374,984)	725,610	\$ 8,100,594
FUND BALANCES:				
Beginning of year			8,348,159	
End of year			\$ 9,073,769	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 70,452	\$ 140,452	\$ 214,208	\$ 73,756
Development fees	546,786	48,586	552,470	503,884
Other	-	-	-	-
Total revenues	617,238	189,038	766,678	577,640
EXPENDITURES:				
Capital outlay	1,383,644	1,383,644	238,236	1,145,408
Total expenditures	1,383,644	1,383,644	238,236	1,145,408
REVENUES OVER (UNDER) EXPENDITURES	(766,406)	(1,194,606)	528,442	1,723,048
Net change in fund balances	\$ (766,406)	\$ (1,194,606)	528,442	\$ 1,723,048
FUND BALANCES:				
Beginning of year			3,669,328	
End of year			\$ 4,197,770	

City of Pleasanton
Budgetary Comparison Schedule
Street In-Lieu Capital Projects Fund
For the year ended June 30, 2008

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

City of Pleasanton
Budgetary Comparison Schedule
Landscape Maintenance N.P.I.D. Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 30,000	\$ 62,934	\$ 32,934
Total revenues	-	30,000	62,934	32,934
EXPENDITURES:				
Current:				
Community activities	1,155,422	1,194,548	39,306	1,155,242
Capital outlay	32,010	42,229	-	42,229
Total expenditures	1,187,432	1,236,777	39,306	1,197,471
Net change in fund balances	\$ (1,187,432)	\$ (1,206,777)	23,628	\$ 1,230,405
FUND BALANCES:				
Beginning of year			1,209,710	
End of year			\$ 1,233,338	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact - Bernal Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 30,000	\$ 51,452	\$ 21,452
Development fees	-	-	-	-
Total revenues	-	30,000	51,452	21,452
EXPENDITURES:				
Capital Outlay	944,035	944,035	24,774	919,261
Total expenditures	944,035	944,035	24,774	919,261
Net change in fund balances	\$ (944,035)	\$ (914,035)	26,678	\$ 940,713
FUND BALANCES:				
Beginning of year			965,685	
End of year			\$ 992,363	

City of Pleasanton
Budgetary Comparison Schedule
Budgeted Developer Projects Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 559,043	\$ 559,043
Contributions and donations	400,000	400,000	997,298	597,298
Reimbursements	-	-	-	-
Total revenues	400,000	400,000	1,556,341	1,156,341
EXPENDITURES:				
Current:				
Community activities	-	-	68,688	(68,688)
Capital outlay	5,850,558	5,907,460	1,592,574	4,314,886
Total expenditures	5,850,558	5,907,460	1,661,262	4,246,198
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(18,143)	(18,143)
Total other financing sources (uses)	-	-	(18,143)	(18,143)
Net change in fund balances	\$ (5,450,558)	\$ (5,507,460)	(123,064)	\$ 5,384,396
FUND BALANCES:				
Beginning of year			11,525,143	
End of year			\$ 11,402,079	

City of Pleasanton
Budgetary Comparison Schedule
Assessment District Construction Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 39,000	\$ 60,000	\$ 97,131	\$ 37,131
Total revenues	<u>39,000</u>	<u>60,000</u>	<u>97,131</u>	<u>37,131</u>
EXPENDITURES:				
Current:				
Public works	1,445,170	1,424,872	14,587	1,410,285
Total expenditures	<u>1,445,170</u>	<u>1,424,872</u>	<u>14,587</u>	<u>1,410,285</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	16,701	16,701
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>16,701</u>	<u>16,701</u>
Net change in fund balances	<u>\$ (1,406,170)</u>	<u>\$ (1,364,872)</u>	<u>99,245</u>	<u>\$ (1,356,453)</u>
FUND BALANCES:				
Beginning of year			<u>2,390,122</u>	
End of year			<u>\$ 2,489,367</u>	

City of Pleasanton
Budgetary Comparison Schedule
Tri-Valley Transportation Capital Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 4,548	\$ 20,798	\$ 23,813	\$ 3,015
Development fees	46,694	4,020,825	4,170,299	149,474
Total revenues	51,242	4,041,623	4,194,112	152,489
EXPENDITURES:				
Capital outlay	473,087	4,466,443	4,000,000	466,443
Total expenditures	473,087	4,466,443	4,000,000	466,443
Net change in fund balances	\$ (421,845)	\$ (424,820)	194,112	\$ 618,932
FUND BALANCES:				
Beginning of year			425,813	
End of year			\$ 619,925	

City of Pleasanton
Budgetary Comparison Schedule
Park Capital Improvement Projects Fund
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 400,000	\$ 653,841	\$ 253,841
Intergovernmental	-	-	-	-
Contributions and donations	10,000	10,000	-	(10,000)
Total revenues	10,000	410,000	653,841	243,841
EXPENDITURES:				
Capital outlay	14,150,817	14,572,575	4,170,498	10,402,077
Total expenditures	14,150,817	14,572,575	4,170,498	10,402,077
REVENUES OVER (UNDER) EXPENDITURES	(14,140,817)	(14,162,575)	(3,516,657)	10,645,918
OTHER FINANCING SOURCES (USES):				
Transfers in	400,000	854,377	854,377	-
Transfers out	-	(512,619)	(512,619)	-
Total other financing sources (uses)	400,000	341,758	341,758	-
Net change in fund balances	\$ (13,740,817)	\$ (13,820,817)	(3,174,899)	\$ 10,645,918
FUND BALANCES:				
Beginning of year			13,937,757	
End of year			\$ 10,762,858	

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.

Cemetery

This fund accounts for the operations of the Pleasanton Memorial Gardens Cemetery. The City currently contracts with Catholic Funeral & Cemetery Services for burial and monument services for previously purchased plots. The Cemetery Fund currently generates no revenue and is supported by an operating subsidy contribution from the General Fund.

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, 2008

	Transit	Storm Drain	Cemetery	Pleasanton Housing Authority	Total
ASSETS					
Current assets:					
Cash and investments	\$ 2,160	\$ 1,094,175	\$ 104,763	\$ 237,652	\$ 1,438,750
Receivables (net):					
Accounts	-	3,389	665	-	4,054
Interest	-	12,038	690	-	12,728
Total current assets	2,160	1,109,602	106,118	237,652	1,455,532
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	1,313,604	10,000	51,750	1,375,354
Depreciable	130	24,478,020	-	545,601	25,023,751
Total noncurrent assets	130	25,791,624	10,000	597,351	26,399,105
Total assets	2,290	26,901,226	116,118	835,003	27,854,637
LIABILITIES					
Current liabilities:					
Accounts payable	-	66,793	5,157	12,636	84,586
Payroll payable	-	10,599	-	-	10,599
Interest payable	-	-	-	12,094	12,094
Refundable deposits	-	-	-	12,604	12,604
Deferred revenue	1,608	-	-	5,604	7,212
Notes payable - current portion	-	-	-	48,012	48,012
Total current liabilities	1,608	77,392	5,157	90,950	175,107
Noncurrent liabilities:					
Notes payable	-	-	-	226,105	226,105
Total noncurrent liabilities	-	-	-	226,105	226,105
Total liabilities	1,608	77,392	5,157	317,055	401,212
NET ASSETS					
Invested in capital assets, net of related debt	130	25,791,624	10,000	323,234	26,124,988
Unrestricted	552	1,032,210	100,961	194,714	1,328,437
Total net assets	\$ 682	\$ 26,823,834	\$ 110,961	\$ 517,948	\$ 27,453,425

City of Pleasanton
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
Non-Major Enterprise Funds
For the year ended June 30, 2008

	Transit	Storm Drain	Cemetery	Pleasanton Housing Authority	Total
OPERATING REVENUES:					
Charges for services	\$ 43,130	\$ 502,457	\$ -	\$ 159,226	\$ 704,813
Miscellaneous	144,487	148,537	666	271,104	564,794
Total operating revenues	187,617	650,994	666	430,330	1,269,607
OPERATING EXPENSES:					
Personnel services	502,056	454,065	-	113,070	1,069,191
Repairs and maintenance	1,600	21,726	615	79,648	103,589
Materials, supplies, and services	45,866	383,690	57,792	71,148	558,496
Depreciation	7,581	860,078	-	89,068	956,727
Total operating expenses	557,103	1,719,559	58,407	352,934	2,688,003
OPERATING INCOME (LOSS)	(369,486)	(1,068,565)	(57,741)	77,396	(1,418,396)
NONOPERATING REVENUES (EXPENSES):					
Interest income	-	53,386	3,570	8,566	65,522
Interest expense	-	-	-	(19,116)	(19,116)
Total nonoperating revenues (expenses)	-	53,386	3,570	(10,550)	46,406
Net income (loss) before contributions and transfers	(369,486)	(1,015,179)	(54,171)	66,846	(1,371,990)
Capital contributions	-	2,953,861	10,000	-	2,963,861
Transfers in	361,904	250,000	93,160	-	705,064
Change in net assets	(7,582)	2,188,682	48,989	66,846	2,296,935
NET ASSETS:					
Beginning of year	8,264	24,635,152	61,972	451,102	25,156,490
End of year	\$ 682	\$ 26,823,834	\$ 110,961	\$ 517,948	\$ 27,453,425

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2008

	Transit	Storm Drain	Cemetery	Pleasanton Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipt from customers	\$ 42,726	\$ 503,462	\$ (665)	\$ 99,113	\$ 644,636
Cash payment to suppliers for goods and services	(47,466)	(342,121)	(64,934)	(163,581)	(618,102)
Cash payment to employees for services	(502,056)	(452,385)	-	(113,070)	(1,067,511)
Miscellaneous revenue	144,487	148,537	666	271,104	564,794
Net cash provided (used) by operating activities	(362,309)	(142,507)	(64,933)	93,566	(476,183)
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES:					
Transfer in	361,904	250,000	93,160	-	705,064
Transfer out	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	361,904	250,000	93,160	-	705,064
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	(45,086)	(45,086)
Interest payment	-	-	-	(21,067)	(21,067)
Capital assets acquisition	-	(143,981)	-	(46,098)	(190,079)
Net cash provided (used) by capital and related financing activities	-	(143,981)	-	(112,251)	(256,232)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	-	56,031	3,677	8,566	68,274
Net cash provided (used) by investing activities	-	56,031	3,677	8,566	68,274
Net increase (decrease) in cash and cash equivalents	(405)	19,543	31,904	(10,119)	40,923
CASH AND CASH EQUIVALENTS:					
Beginning of year	2,565	1,074,632	72,859	247,771	1,397,827
End of year	\$ 2,160	\$ 1,094,175	\$ 104,763	\$ 237,652	\$ 1,438,750
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (369,486)	\$ (1,068,565)	\$ (57,741)	\$ 77,396	\$ (1,418,396)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	7,581	860,078	-	89,068	956,727
Decrease (increase) in:					
Accounts receivable	-	1,005	(665)	-	340
Increase (decrease) in:					
Accounts payable	-	63,295	(6,527)	(12,785)	43,983
Accrued payroll	-	1,680	-	-	1,680
Deferred revenue	(404)	-	-	(59,877)	(60,281)
Refundable deposits	-	-	-	(236)	(236)
Net cash provided (used) by operating activities	\$ (362,309)	\$ (142,507)	\$ (64,933)	\$ 93,566	\$ (476,183)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets contributed by developers	\$ -	\$ 2,953,861	\$ 10,000	\$ -	\$ 2,963,861
Total noncash capital and related financing activities	\$ -	\$ 2,953,861	\$ 10,000	\$ -	\$ 2,963,861

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

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, 2008

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
ASSETS				
Current assets:				
Cash and investments	\$ 13,142,309	\$ 458,903	\$ 25,968,680	\$ 12,454,283
Accounts receivable	1,094	-	20,385	-
Interest receivable	138,291	4,998	289,450	135,485
Total current assets	<u>13,281,694</u>	<u>463,901</u>	<u>26,278,515</u>	<u>12,589,768</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	742,618	-
Depreciable	-	-	8,872,120	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>9,614,738</u>	<u>-</u>
Total assets	<u>13,281,694</u>	<u>463,901</u>	<u>35,893,253</u>	<u>12,589,768</u>
LIABILITIES				
Current liabilities:				
Accounts payable	480,835	-	496,882	8,294
Payroll payable	736	-	-	-
Accrued compensated absences	675,536	-	-	-
Claims payable	782,821	-	-	-
Total current liabilities	<u>1,939,928</u>	<u>-</u>	<u>496,882</u>	<u>8,294</u>
Noncurrent liabilities:				
Accrued compensated absences	4,216,751	-	-	-
Claims payable	880,167	-	-	-
Total noncurrent liabilities	<u>5,096,918</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,036,846</u>	<u>-</u>	<u>496,882</u>	<u>8,294</u>
NET ASSETS				
Investment in capital assets, net of related debt	-	-	9,614,738	-
Unrestricted	6,244,848	463,901	25,781,633	12,581,474
Total net assets	<u>\$ 6,244,848</u>	<u>\$ 463,901</u>	<u>\$ 35,396,371</u>	<u>\$ 12,581,474</u>

Self Insurance Retention	Retiree Insurance Reserve	Total
\$ 8,824,811	\$ 30,276,605	\$ 91,125,591
-	-	21,479
86,410	327,155	981,789
<u>8,911,221</u>	<u>30,603,760</u>	<u>92,128,859</u>
-	-	742,618
-	-	8,872,120
-	-	9,614,738
<u>8,911,221</u>	<u>30,603,760</u>	<u>101,743,597</u>
23,852	23,120	1,032,983
-	-	736
-	-	675,536
287,649	-	1,070,470
<u>311,501</u>	<u>23,120</u>	<u>2,779,725</u>
-	-	4,216,751
172,259	-	1,052,426
172,259	-	5,269,177
<u>483,760</u>	<u>23,120</u>	<u>8,048,902</u>
-	-	9,614,738
8,427,461	30,580,640	84,079,957
<u>\$ 8,427,461</u>	<u>\$ 30,580,640</u>	<u>\$ 93,694,695</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Services Funds
For the year ended June 30, 2008

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
OPERATING REVENUES:				
Charges for services	\$ 26,406,180	\$ 50,000	\$ 4,331,101	\$ 1,400,000
Miscellaneous	24,048	75,380	12,806	-
Total operating revenues	26,430,228	125,380	4,343,907	1,400,000
OPERATING EXPENSES:				
Personnel services	24,710,551	-	-	295,613
Materials, supplies, and services	765,577	25,799	2,219,206	14,470
Depreciation and amortization	-	-	1,532,282	-
Total operating expenses	25,476,128	25,799	3,751,488	310,083
OPERATING INCOME (LOSS)	954,100	99,581	592,419	1,089,917
NONOPERATING REVENUES/EXPENSES:				
Interest income	645,770	23,116	1,338,830	618,512
Gain (loss) from disposal of fixed assets	-	-	(6,118)	-
Total nonoperating revenues (expenses)	645,770	23,116	1,332,712	618,512
Income before Transfers in (out)	1,599,870	122,697	1,925,131	1,708,429
Transfers in	-	12,619	4,313	-
Transfers out	(240,573)	-	-	-
Change in net assets	1,359,297	135,316	1,929,444	1,708,429
NET ASSETS:				
Beginning of year	4,885,551	328,585	33,466,927	10,873,045
End of year	\$ 6,244,848	\$ 463,901	\$ 35,396,371	\$ 12,581,474

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,500,000	\$ 4,628,400	\$ 38,315,681
14,898	-	127,132
<u>1,514,898</u>	<u>4,628,400</u>	<u>38,442,813</u>
-	1,186,607	26,192,771
1,108,931	32,775	4,166,758
-	-	1,532,282
<u>1,108,931</u>	<u>1,219,382</u>	<u>31,891,811</u>
<u>405,967</u>	<u>3,409,018</u>	<u>6,551,002</u>
387,579	1,502,489	4,516,296
-	-	(6,118)
<u>387,579</u>	<u>1,502,489</u>	<u>4,510,178</u>
793,546	4,911,507	11,061,180
-	-	16,932
-	-	(240,573)
<u>793,546</u>	<u>4,911,507</u>	<u>10,837,539</u>
<u>7,633,915</u>	<u>25,669,133</u>	<u>82,857,156</u>
<u>\$ 8,427,461</u>	<u>\$ 30,580,640</u>	<u>\$ 93,694,695</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Services Funds
For the year ended June 30, 2008

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customer/other funds	\$ 26,406,740	\$ 50,000	\$ 4,337,294	\$ 1,400,000
Cash payment to suppliers for goods and services	(1,443,121)	(25,799)	(2,303,773)	(9,486)
Cash payment to employees for services	(24,285,576)	-	-	(295,613)
Miscellaneous revenue	24,048	75,380	12,806	-
Net cash provided (used) by operating activities	702,091	99,581	2,046,327	1,094,901
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer in	-	12,619	4,313	-
Transfer out	(240,573)	-	-	-
Capital assets acquisition	-	-	(1,955,044)	-
Proceed from sale of assets	-	-	44,478	-
Net cash provided (used) by capital and related financing activities	(240,573)	12,619	(1,906,253)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	650,262	22,086	1,363,762	619,759
Net cash provided (used) by investing activities	650,262	22,086	1,363,762	619,759
Net increase (decrease) in cash and cash equivalents	1,111,780	134,286	1,503,836	1,714,660
CASH AND CASH EQUIVALENTS:				
Beginning of year	12,030,529	324,617	24,464,844	10,739,623
End of year	\$ 13,142,309	\$ 458,903	\$ 25,968,680	\$ 12,454,283
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 954,100	\$ 99,581	\$ 592,419	\$ 1,089,917
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,532,282	-
Decrease (increase) in:				
Accounts receivable	560	-	6,193	-
Increase (decrease) in:				
Accounts payable	(284,240)	-	(84,567)	4,984
Payroll payable	(4,586)	-	-	-
Accrued compensated absences	429,561	-	-	-
Claims payable	(393,304)	-	-	-
Net cash provided (used) by operating activities	\$ 702,091	\$ 99,581	\$ 2,046,327	\$ 1,094,901

Self Insurance	Retirees	
Retention	Insurance	Total
	Reserve	
\$ 1,500,000	\$ 4,628,400	\$ 38,322,434
(1,023,494)	(20,475)	(4,826,148)
-	(1,186,607)	(25,767,796)
14,898	-	127,132
<u>491,404</u>	<u>3,421,318</u>	<u>7,855,622</u>
-	-	16,932
-	-	(240,573)
-	-	(1,955,044)
-	-	<u>44,478</u>
-	-	<u>(2,134,207)</u>
403,066	1,493,851	4,552,786
<u>403,066</u>	<u>1,493,851</u>	<u>4,552,786</u>
894,470	4,915,169	10,274,201
7,930,341	25,361,436	80,851,390
<u>\$ 8,824,811</u>	<u>\$ 30,276,605</u>	<u>\$ 91,125,591</u>
\$ 405,967	\$ 3,409,018	\$ 6,551,002
-	-	1,532,282
-	-	6,753
16,949	12,300	(334,574)
-	-	(4,586)
-	-	429,561
68,488	-	(324,816)
<u>\$ 491,404</u>	<u>\$ 3,421,318</u>	<u>\$ 7,855,622</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.

Altamont Settlement Agreement E.A.B.

The City administers the disbursement of grant funds under the direction of the Altamont Settlement Agreement Education Advisory Board. The funds are used for the implementation of recycling and environmental awareness programs. Money is disbursed to qualified applicants based on a competitive grant process as awarded by the Altamont Settlement Agreement Education Advisory Board.

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, 2008

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ 53,463	\$ 34,434	\$ 25,316	\$ 925,635	\$ 1,102,398
Receivables:					
Accounts	30,861	-	-	211,700	-
Interest	-	426	-	-	-
Restricted cash and investments	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	\$ 84,324	\$ 34,860	\$ 25,316	\$ 1,137,335	\$ 1,102,398
LIABILITIES					
Accounts payable	\$ 72,948	\$ -	\$ -	\$ 1,080,412	\$ -
Due to Bondholders	-	-	-	-	-
Due to Employees	11,376	-	-	-	-
Deposits	-	34,860	25,316	56,923	1,102,398
Total liabilities	\$ 84,324	\$ 34,860	\$ 25,316	\$ 1,137,335	\$ 1,102,398

Altamont Settlement Agreement E.A.B.	1915 Act Bond Interest and Redemption	Pleasanton Joint Powers Financing Authority	Total
\$ 474,927	\$ 13,038,986	\$ -	\$ 15,655,159
-	39,223	-	281,784
3,088	1,013,589	-	1,017,103
-	-	1,463	1,463
-	855,735	-	855,735
<u>\$ 478,015</u>	<u>\$ 14,947,533</u>	<u>\$ 1,463</u>	<u>\$ 17,811,244</u>
\$ -	\$ -	\$ -	\$ 1,153,360
-	14,947,533	1,463	14,948,996
-	-	-	11,376
478,015	-	-	1,697,512
<u>\$ 478,015</u>	<u>\$ 14,947,533</u>	<u>\$ 1,463</u>	<u>\$ 17,811,244</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Employee Insurance Agency</u>				
Assets:				
Cash and investments	\$ 34,651	\$ 772,869	\$ (754,057)	\$ 53,463
Accounts receivable	30,225	303,170	(302,534)	30,861
Total assets	\$ 64,876	\$ 1,076,039	\$ (1,056,591)	\$ 84,324
Liabilities:				
Accounts payable	\$ 64,876	\$ 680,938	\$ (672,866)	\$ 72,948
Due to employees	-	11,376	-	11,376
Total liabilities	\$ 64,876	\$ 692,314	\$ (672,866)	\$ 84,324
<u>Downtown Merchant Association</u>				
Assets:				
Cash and investments	\$ 34,312	\$ 64,470	\$ (64,348)	\$ 34,434
Interest receivable	548	1,423	(1,545)	426
Total assets	\$ 34,860	\$ 65,893	\$ (65,893)	\$ 34,860
Liabilities:				
Deposits	\$ 34,860	\$ 62,146	\$ (62,146)	\$ 34,860
Total liabilities	\$ 34,860	\$ 62,146	\$ (62,146)	\$ 34,860
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 20,122	\$ 8,412	\$ (3,218)	\$ 25,316
Total assets	\$ 20,122	\$ 8,412	\$ (3,218)	\$ 25,316
Liabilities:				
Deposits	\$ 20,122	\$ 8,412	\$ (3,218)	\$ 25,316
Total liabilities	\$ 20,122	\$ 8,412	\$ (3,218)	\$ 25,316
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 453,432	\$ 5,166,948	\$ (4,694,745)	\$ 925,635
Accounts receivable	230,531	211,700	(230,531)	211,700
Total assets	\$ 683,963	\$ 5,378,648	\$ (4,925,276)	\$ 1,137,335
Liabilities:				
Accounts payable	\$ 627,540	\$ 4,292,243	\$ (3,839,371)	\$ 1,080,412
Deposits	56,423	1,500	(1,000)	56,923
Total liabilities	\$ 683,963	\$ 4,293,743	\$ (3,840,371)	\$ 1,137,335
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 1,149,898	\$ 160,150	\$ (207,650)	\$ 1,102,398
Total assets	\$ 1,149,898	\$ 160,150	\$ (207,650)	\$ 1,102,398
Liabilities:				
Deposits	\$ 1,149,898	\$ 160,150	\$ (207,650)	\$ 1,102,398
Total liabilities	\$ 1,149,898	\$ 160,150	\$ (207,650)	\$ 1,102,398

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Altamont Settlement Agreement E.A.B</u>				
Assets:				
Cash and investments	\$ -	\$ 854,348	\$ (379,421)	\$ 474,927
Interest Receivable	-	7,273	(4,185)	3,088
Total assets	\$ -	\$ 861,621	\$ (383,606)	\$ 478,015
Liabilities:				
Deposits	\$ -	\$ 843,282	\$ (365,267)	\$ 478,015
Total liabilities	\$ -	\$ 843,282	\$ (365,267)	\$ 478,015
<u>1915 Act Bond</u>				
<u>Interest and Redemption</u>				
Assets:				
Cash and investments	\$ 16,508,859	\$ 12,371,704	\$ (15,841,577)	\$ 13,038,986
Receivables:				
Accounts	48,627	178,747	(188,151)	39,223
Interest	1,205,979	261,884	(454,274)	1,013,589
Notes	1,122,434	-	(266,699)	855,735
Total assets	\$ 18,885,899	\$ 12,812,335	\$ (16,750,701)	\$ 14,947,533
Liabilities:				
Due to Bondholders	\$ 18,885,899	\$ 10,606,091	\$ (14,544,457)	\$ 14,947,533
Total liabilities	\$ 18,885,899	\$ 10,606,091	\$ (14,544,457)	\$ 14,947,533
<u>Pleasanton Joint Powers</u>				
<u>Financing Authority</u>				
Assets:				
Restricted cash and investments	\$ 3,833,925	\$ 15,085,265	\$ (18,917,727)	\$ 1,463
Total assets	\$ 3,833,925	\$ 15,085,265	\$ (18,917,727)	\$ 1,463
Liabilities:				
Due to bondholders	\$ 3,833,925	\$ 14,804,322	\$ (18,636,784)	\$ 1,463
Total liabilities	\$ 3,833,925	\$ 14,804,322	\$ (18,636,784)	\$ 1,463
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 18,201,274	\$ 19,398,901	\$ (21,945,016)	\$ 15,655,159
Receivables:				
Accounts	309,383	693,617	(721,216)	281,784
Interest	1,206,527	270,580	(460,004)	1,017,103
Restricted cash and investments	3,833,925	15,085,265	(18,917,727)	1,463
Notes receivables	1,122,434	-	(266,699)	855,735
Total assets	\$ 24,673,543	\$ 35,448,363	\$ (42,310,662)	\$ 17,811,244
Liabilities:				
Accounts payable	\$ 692,416	\$ 4,973,181	\$ (4,512,237)	\$ 1,153,360
Due to bondholders	22,719,824	25,410,413	(33,181,241)	14,948,996
Due to employees	-	11,376	-	11,376
Deposits	1,261,303	1,075,490	(639,281)	1,697,512
Total liabilities	\$ 24,673,543	\$ 31,470,460	\$ (38,332,759)	\$ 17,811,244

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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.

Contents	Page
<i>Financial Trends Information</i>	169
This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	
<i>Revenue Capacity Information</i>	175
This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.	
<i>Debt Capacity Information</i>	181
This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	
<i>Demographic and Economic Information</i>	189
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.	
<i>Operating Information</i>	193
This information is intended to provide information about operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition	

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Financial Trends Information

Net Assets by Component - Last Seven Fiscal Years

Changes in Net Assets - Last Seven Fiscal Years

Fund Balances - Last Seven Fiscal Years

Changes in Fund Balances - Last Seven Fiscal Years

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Governmental Activities							
Invested in capital assets, net of related debt	\$ 219,488,950	\$ 334,851,123	\$ 372,119,378	\$ 380,390,639	\$ 376,469,051	\$ 378,710,205	\$ 387,184,839
Restricted	46,671,181	46,521,689	44,199,190	47,141,404	47,775,291	50,280,585	56,544,224
Unrestricted	82,109,173	98,162,932	105,968,078	117,261,111	132,091,752	141,297,679	153,668,288
Total governmental activities net assets	<u>348,269,304</u>	<u>479,535,744</u>	<u>522,286,646</u>	<u>544,793,154</u>	<u>556,336,094</u>	<u>570,288,469</u>	<u>597,397,351</u>
Business-Type Activities							
Invested in capital assets, net of related debt	135,313,592	152,081,347	164,784,413	175,189,829	183,167,289	204,187,116	210,923,039
Restricted	1,215,473	9,972,160	1,123,828	1,243,708	814,068	686,964	620,850
Unrestricted	48,753,140	58,774,393	58,750,236	54,511,151	58,875,845	56,449,170	52,522,039
Total business-type activities net assets	<u>185,282,205</u>	<u>220,827,900</u>	<u>224,658,477</u>	<u>230,944,688</u>	<u>242,857,202</u>	<u>261,323,250</u>	<u>264,065,928</u>
Primary Government							
Invested in capital assets, net of related debt	354,802,542	486,932,470	536,903,791	555,580,468	559,636,340	582,897,321	598,107,878
Restricted	47,886,654	56,493,849	45,323,018	48,385,112	48,589,359	50,967,549	57,165,074
Unrestricted	130,862,313	156,937,325	164,718,314	171,772,262	190,967,597	197,746,849	206,190,327
Total primary government activities net assets	<u>\$ 533,551,509</u>	<u>\$ 700,363,644</u>	<u>\$ 746,945,123</u>	<u>\$ 775,737,842</u>	<u>\$ 799,193,296</u>	<u>\$ 831,611,719</u>	<u>\$ 861,463,279</u>

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental Activities:							
General Government	\$ 6,363,133	\$ 9,343,400	\$ 8,892,418	\$ 8,844,298	\$ 10,142,529	\$ 11,598,637	\$ 9,928,811
Public Safety	32,534,525	32,618,740	34,392,664	39,354,201	43,286,424	45,396,698	47,939,264
Planning & Community Development	3,229,969	3,179,100	4,927,532	3,954,646	7,376,026	5,527,218	5,054,123
Public Works	25,340,545	20,549,745	26,402,176	20,522,902	26,053,044	25,333,753	27,080,827
Community Activities	14,558,585	13,468,360	15,963,151	16,483,828	17,783,181	20,576,380	20,866,873
Interest on Long-Term Debt	684,063	838,032	1,444,009	1,445,994	1,276,016	1,232,732	1,202,153
Total Government Activities:	\$ 82,710,820	\$ 79,997,377	\$ 92,021,950	\$ 90,605,869	\$ 105,917,220	\$ 109,665,418	\$ 112,072,051
Business-Type Activities:							
Water	\$ 14,530,381	\$ 14,370,149	\$ 15,056,432	\$ 13,057,857	\$ 15,197,789	\$ 16,863,032	\$ 16,671,095
Sewer	12,584,936	11,035,016	11,279,697	11,558,840	11,457,129	12,906,227	13,883,619
Golf	44,620	44,621	44,620	346,627	2,810,105	5,904,610	5,737,159
Transit	385,377	452,472	537,470	475,477	518,813	508,760	557,103
Storm Drain	1,171,779	1,120,130	1,280,061	1,215,224	1,288,566	1,529,192	1,531,754
Cemetery						90,274	58,407
Pleasanton Housing Authority	252,932	268,762	230,384	290,944	343,746	397,526	372,050
Total Business-Type Activities	\$ 28,970,025	\$ 27,291,150	\$ 28,428,664	\$ 26,944,969	\$ 31,616,148	\$ 38,199,621	\$ 38,811,187
Total Primary Government Expense	\$ 111,680,845	\$ 107,288,527	\$ 120,450,614	\$ 117,550,838	\$ 137,533,368	\$ 147,865,039	\$ 150,883,238
Program Revenues							
Governmental Activities:							
Charges for Services							
General Government	\$ 537,118	\$ 250,970	\$ 200,296	\$ 535,485	\$ 488,237	\$ 540,607	\$ 539,443
Public Safety	12,330,298	11,243,548	11,667,396	12,788,675	13,949,960	14,495,113	15,748,044
Planning & Community Development	637,603	575,923	740,202	1,549,543	3,194,674	599,131	579,215
Public Works	3,937,931	3,280,013	4,112,858	3,602,716	3,634,892	3,216,986	3,074,811
Community Activities	2,614,504	2,906,387	3,313,130	3,300,615	3,425,758	3,899,454	4,005,599
Operating Grants & Contributions	3,605,904	4,080,731	4,652,966	4,674,945	5,695,141	3,641,293	3,090,744
Capital Grants & Contributions	2,961,801	145,189,089	48,129,129	14,099,033	12,350,368	10,113,847	21,607,143
Total Government Activities:	\$ 26,625,159	\$ 167,526,661	\$ 72,815,977	\$ 40,551,012	\$ 42,739,030	\$ 36,506,431	\$ 48,644,999
Business-Type Activities:							
Charges for Services							
Water	\$ 15,774,127	\$ 15,044,768	\$ 15,830,842	\$ 14,723,422	\$ 15,060,402	\$ 15,964,135	\$ 15,535,004
Sewer	10,748,529	10,882,458	10,970,513	10,910,064	10,947,581	13,489,859	11,178,802
Golf	81,165	-	3,700	-	2,671,290	4,564,478	4,578,857
Transit	31,601	37,001	34,362	43,077	38,740	39,284	43,130
Storm Drain	475,591	474,926	380,271	223,505	353,976	363,353	356,724
Cemetery	-	-	-	-	-	-	-
Pleasanton Housing Authority	167,950	257,404	166,371	149,706	231,478	142,447	159,226
Operating Grants & Contributions	102,075	-	-	-	-	-	-
Capital Grants & Contributions	2,428,979	10,691,928	2,955,665	4,494,296	7,559,908	12,107,855	7,075,196
Total Business-Type Activities	\$ 29,810,017	\$ 37,388,485	\$ 30,341,724	\$ 30,544,070	\$ 36,863,375	\$ 46,671,411	\$ 38,926,939
Total Primary Government Revenues	\$ 56,435,176	\$ 204,915,146	\$ 103,157,701	\$ 71,095,082	\$ 79,602,405	\$ 83,177,842	\$ 87,571,938

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Net (Expenses)/Revenue:							
Governmental Activities:	\$ (56,085,661)	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)	\$ (63,178,190)	\$ (73,158,987)	\$ (63,427,052)
Business-Type Activities:	839,992	10,097,335	1,913,060	3,599,101	5,247,227	8,471,790	115,752
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>	<u>\$ (64,687,197)</u>	<u>\$ (63,311,300)</u>
Assets							
Governmental Activities:							
Taxes							
Property taxes	\$ 29,370,379	\$ 31,203,614	\$ 33,310,777	\$ 36,670,867	\$ 41,257,246	\$ 45,341,149	\$ 47,973,499
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946	7,484,133	7,534,768	7,257,360
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692	21,029,378	21,060,115	21,130,683
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960	1,538,398	403,401	304,886
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139	1,578,689	1,727,617	1,783,405
Infrastructure maintenance contribution	2,356,100	-	-	-	-	-	-
Unrestricted investment earnings	5,136,101	5,415,548	1,553,297	4,467,829	4,230,879	9,654,142	10,554,711
Miscellaneous	1,177,429	506,337	1,673,068	1,091,220	641,283	792,476	641,888
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)	597,694	889,502
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>	<u>\$ 87,111,362</u>	<u>\$ 90,535,934</u>
Business-Type Activities:							
Unrestricted investment earnings	\$ 1,627,169	\$ 1,592,843	\$ 400,146	\$ 1,733,994	\$ 1,109,607	\$ 2,181,462	\$ 1,898,546
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	802,445	1,617,882
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	(597,694)	(889,502)
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>	<u>\$ 2,386,213</u>	<u>\$ 2,626,926</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>	<u>\$ 89,497,575</u>	<u>\$ 93,162,860</u>
Change in Net Assets							
Governmental Activities:	\$ 7,374,010	\$ 132,188,198	\$ 42,750,901	\$ 21,609,209	\$ 11,542,940	\$ 13,952,375	\$ 27,108,882
Business-Type Activities:	6,251,654	35,545,695	3,830,577	6,523,638	11,912,514	10,858,003	2,742,678
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>	<u>\$ 24,810,378</u>	<u>\$ 29,851,560</u>

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	\$ 1,158,165	\$ 635,649	\$ 392,835	\$ 612,602	\$ 605,264	\$ 1,360,798	\$ 643,256
Unreserved	15,840,457	15,097,428	18,562,212	22,010,563	23,915,653	24,713,932	24,807,190
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>	<u>\$ 26,074,730</u>	<u>\$ 25,450,446</u>
All Other Governmental Funds							
Reserved	2,465,319	4,173,006	1,928,604	421,035	411,095	412,354	406,282
Unreserved, reported in :							
Special Revenue Funds	20,112,048	15,530,639	20,702,621	22,675,830	21,886,907	20,877,745	24,006,111
Capital Projects Funds	45,769,745	58,888,011	53,976,167	57,038,753	62,842,692	64,812,331	70,880,985
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>	<u>\$ 86,102,430</u>	<u>\$ 95,293,378</u>

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Revenues:							
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234	\$ 75,235,506	\$ 76,668,560
Special Assessments	690,772	677,416	187,775	195,654	215,035	190,362	196,784
Licenses	13,273	12,876	12,050	12,906	11,709	11,259	11,591
Permits	2,011,839	1,922,531	2,401,186	2,275,465	2,031,209	1,950,100	1,701,275
Fines and Forfeitures	533,572	562,417	689,309	630,864	575,524	526,208	557,615
Use of Money & Property	3,220,285	3,796,195	1,665,186	3,519,701	2,766,468	5,926,569	6,306,432
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526	6,171,443	5,933,046	5,916,548
Franchises	1,740,281	1,489,967	1,403,790	1,465,139	1,578,689	1,727,617	1,783,405
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506	13,747,992	13,268,001	14,320,932
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045	3,685,255	3,824,811	6,403,102
Plan Check fees	1,176,506	774,429	1,126,924	924,146	1,119,904	924,558	995,038
Reimbursements	741,472	888,428	1,729,241	1,520,518	1,786,422	2,147,204	2,043,745
Contributions and Donations	309,918	721,167	6,023,264	4,091,889	3,417,226	748,144	6,027,436
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421	3,520,069	3,313,780	3,836,587
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010	3,318,406	3,659,920	3,731,918
	<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>	<u>\$ 119,387,085</u>	<u>\$ 130,500,968</u>
Expenditures:							
Current:							
General Government	\$ 7,009,811	\$ 10,285,596	\$ 9,176,425	\$ 9,333,247	\$ 10,279,430	\$ 11,362,742	\$ 12,405,156
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855	43,826,861	47,626,223	50,030,665
Planning & Community Development	3,316,758	3,482,879	5,484,984	3,611,279	7,560,598	5,250,750	5,841,161
Public Works	18,981,967	16,178,057	13,937,835	14,463,138	15,413,787	15,780,590	15,791,053
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659	16,209,390	17,850,952	18,580,800
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422	8,486,034	16,521,137	18,073,711
Debt Service:							
Principal	1,185,000	4,695,000	1,325,000	755,000	1,330,000	1,345,000	1,385,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714	1,239,890	1,204,063	1,167,388
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>	<u>116,941,457</u>	<u>123,274,934</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>	<u>2,445,628</u>	<u>7,226,034</u>
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	-	25,423	-	-	-	-	-
Proceeds from Issuance of Debt	-	28,425,000	-	-	1,520,000	-	227,487
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	17,317,214	11,085,480
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)	(16,429,835)	(9,972,337)
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>	<u>887,379</u>	<u>1,340,630</u>
Net Change in Fund Balances	1,016,599	8,978,999	1,237,706	7,196,344	6,902,828	3,333,007	8,566,664
Fund Balances:							
Beginning of Year	84,329,135	85,345,734	94,324,733	95,562,439	102,758,783	109,661,611	112,177,160
Prior Period Adjustment	-	-	-	-	-	(817,458)	-
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>	<u>\$ 112,177,160</u>	<u>\$ 120,743,824</u>
Debt Service as a Percentage of Noncapital Expenditure							
	2.42%	7.16%	3.01%	2.65%	2.63%	2.37%	2.26%

Revenue Capacity Information

**Assessed Value and Estimated Actual Value of Taxable Property
Last Seven Fiscal Years**

Direct and Overlapping Property Tax Rates - Last Seven Fiscal Years

Principal Property Tax Payers - Current Year & Ten Years Ago

Property Tax Levies and Collections - Last Seven Fiscal Years

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

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value	Total Direct Tax Rate
2002	\$10,073,773,908	\$3,539,632	\$745,410,806	\$10,822,724,346	0.271%
2003	11,007,214,146	2,053,960	680,796,620	11,690,064,726	0.270%
2004	11,789,099,384	2,135,286	680,766,777	12,472,001,447	0.270%
2005	12,594,592,116	2,297,346	611,932,067	13,208,821,529	0.316%
2006	13,618,889,401	2,242,475	575,007,837	14,196,139,713	0.322%
2007	14,878,786,916	2,146,073	575,007,837	15,455,940,826	0.334%
2008	15,884,626,870	1,520,242	634,144,021	16,520,291,133	0.326%

Source: Alameda County Office of the Auditor-Controller

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

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
County Wide Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
City of Pleasanton	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pleasanton Unified School District	0.0870	0.0759	0.0726	0.0935	0.0854	0.0721	0.0756
Community College District	0.0000	0.0000	0.0000	0.0186	0.0158	0.0159	0.0164
Flood Zone 7	0.0157	0.0158	0.0145	0.0114	0.0130	0.0151	0.0150
Bay Area Rapid Transit District	0.0000	0.0000	0.0000	0.0000	0.0048	0.0050	0.0076
East Bay Regional Park District	0.0072	0.0065	0.0057	0.0057	0.0235	0.0085	0.0080
Total	1.1099	1.0982	1.0928	1.1292	1.1425	1.1166	1.1226

Note: Rates are percentage of total assessed value

Source: Alameda County Office of the Auditor-Controller

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

Taxpayer	2008		1999		
	Estimated Total Property Tax Revenue	Percent of Total City Property Tax Revenue	Taxpayer	Estimated Total Property Tax Revenue	Percent of Total City Property Tax Revenue
Stoneridge Properties	\$540,252	1.28%	Security Trust Company Trust	\$312,091	1.70%
Pleasant Properties LLC	496,444	1.17%	Carr Realty Corporation	\$272,441	1.48%
NNN Britannia Business 111 LLC	469,756	1.11%	Principal Mutual Life Insurance Company	\$212,911	1.16%
Kaiser Foundation Health Plan	456,527	1.08%	Hacienda Plaza Associates LLC	\$197,661	1.08%
6200 Stoneridge Mall Road Investors	453,618	1.07%	Clorox Services Company	\$182,233	0.99%
Safeway, Inc	372,430	0.88%	Boehringer Mannheim Corporation	\$152,595	0.83%
Applera Corporation	348,782	0.83%	Excel Realty Trust Inc	\$142,273	0.78%
Stoneridge Residential LLC	333,509	0.79%	Stoneridge Associates	\$127,455	0.69%
CT Stoneridge LLC	291,447	0.69%	Property California OB One Corporation	\$110,704	0.60%
Clorox Services Company	249,592	0.59%	Kaiser Foundation Health Plan	\$103,345	0.56%
	<u>\$4,012,357</u>	<u>9.49%</u>		<u>\$1,813,709</u>	<u>9.88%</u>

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

City of Pleasanton
Property Tax Levies and Collections
Last Seven 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	\$28,677,731	98.18%	\$692,648	\$29,370,379	100.55%
2003	32,064,712	30,670,848	95.65%	932,823	31,603,671	98.56%
2004	33,131,453	32,706,909	98.72%	1,000,586	33,707,494	101.74%
2005	41,714,177	40,792,806	97.79%	886,402	41,679,208	99.92%
2006	44,899,643	44,721,215	99.60%	955,480	45,676,695	101.73%
2007	52,176,573	50,841,540	97.44%	856,922	51,698,462	99.08%
2008	55,187,206	52,552,853	95.23%	1,342,062	53,894,915	97.66%

Note: Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, home owners' exemptions, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in Fiscal Year 1992-93

Source: Alameda County Office of the Auditor-Controller

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Debt Capacity Informtaion

Ratios of Outstanding Debt by Type - Last Seven Fiscal Years

Ratio of General Bonded Debt Outstanding - Last Seven Fiscal Years

Direct and Overlapping Debt - Year Ended June 30, 2008

Legal Debt Margin Information - Last Seven Fiscal Years

Pledged-Revenue Coverage - Last Seven Fiscal Years

City of Pleasanton
Ratios of Outstanding Debt by Type
Last Seven Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	General Obligation Bonds	Certificates of Participation	Notes Payable	
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
2007	0	29,215,000	1,595,000	\$30,810,000
2008	0	27,830,000	1,822,487	\$29,652,487

City of Pleasanton
Ratios of Outstanding Debt by Type, Continued
Last Seven 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	1.0%	\$601.34
3,120,000	2,945,000	361,499	567,545	\$39,149,044	n/a	\$581.53
2,575,000	2,300,000	319,204	448,682	\$36,452,886	n/a	\$537.07
2,010,000	1,645,000	274,117	296,531	\$33,878,135	n/a	\$494.09

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Seven 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
2007	0	0	0	0.000%	0
2008	0	0	0	0.000%	0

**City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2008**

2007/08 Net Assessed Valuation

\$16,520,291,133

	Percentage Applicable (1)	Outstanding Debt 06/30/08	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	3.916%	\$ 467,320,000	\$ 18,300,251
Chabot-Las Positas Community College District	21.036%	476,514,226	100,239,533
Dublin Joint Unified School District	0.008%	141,128,934	11,290
Livermore Valley Joint Unified School District	2.106%	117,055,000	2,465,178
Pleasanton Unified School District	97.459%	116,009,429	113,061,629
Sunol Glen Unified School District	0.001%	1,569,789	16
City of Pleasanton 1915 Act Bonds	100.000%	36,065,000	36,065,000
East Bay Regional Park District	5.688%	149,445,000	8,500,432
Total Overlapping Tax and Assessment Debt:			\$ 278,643,329
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	9.911%	\$ 459,688,000	\$45,559,678
Alameda County Pension Obligations	9.911%	228,520,122	22,648,629
Alameda County Board of Education Certificates of Participation	9.911%	250,000	24,778
Chabot-Las Positas Community College District Certificates of Participation	21.036%	4,990,000	1,049,696
Pleasanton Unified School District Certificates of Participation	97.459%	18,345,000	17,878,854
City of Pleasanton General Fund Obligations	100.000%	27,830,000	27,830,000
Total Direct and Overlapping General Fund Obligation Debt:			\$114,991,635
Combined Total Debt			\$393,634,964 (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 (\$27,830,000).....	0.17%
Total Overlapping Tax and Assessment Debt.....	1.68%
Combined Total Debt.....	2.37%

State School Building Aid Repayable as of 06/30/08: \$ 0

Source: California Municipal Statistics, Inc.

City of Pleasanton
Legal Debt Margin
Last Seven Fiscal Years

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Gross Assessed Valuation	\$ 10,925,666,346	\$ 11,690,064,729	\$ 12,472,001,447	\$ 13,208,821,529	\$ 14,220,963,928	\$ 15,455,940,826	\$ 16,520,291,133
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,731,416,587	2,922,516,182	3,118,000,362	3,302,205,382	3,555,240,982	3,863,985,207	4,130,072,783
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%
Debt Limit	409,712,488	438,377,427	467,700,054	495,330,807	533,286,147	579,597,781	619,510,917
Amount of Debt Subject to Limit	970,000	505,000	0	0	0	0	0
Legal Debt Margin	408,742,488	437,872,427	467,700,054	495,330,807	533,286,147	579,597,781	619,510,917
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.24%	0.12%	0.00%	0.00%	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 Seven 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
2006-07	11,681,865	10,048,466	1,633,399	545,000	88,744	633,744	2.58
2007-08	11,813,279	10,029,648	1,783,631	565,000	73,500	638,500	2.79

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
2006-07	17,995,780	14,569,010	3,426,770	645,000	64,756	709,756	4.83
2007-08	17,480,621	15,510,677	1,969,944	655,000	51,756	706,756	2.79

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

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Demographic and Economic Information

Demographic and Economic Statistics - Last Seven Calendar Years

Principal Employers - Current Year and Five Years Ago

City Employees by Function - Last Seven Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Seven 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	48,950	2.3%
2002	65,961	3,206,276,673	48,455	3.2%
2003	66,788	3,314,652,042	49,473	3.3%
2004	67,049	3,518,132,000	52,471	2.9%
2005	67,321	3,865,229,000	57,415	2.5%
2006	67,873	4,205,545,000	61,962	2.2%
2007	68,567	N/A	N/A	2.3%

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 Five Years Ago

Employer	2008		Employer	2003	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Safeway, Inc.	2627	4.52%	Peoplesoft	3065	5.38%
(1) EMC Corporation	2200	3.79%	Safeway, Inc	1689	2.97%
Kaiser Permanente	1871	3.22%	Pleasanton Unified School District	1350	2.37%
(2) Oracle	1500	2.58%	Providian Financial	1306	2.29%
(3) Washington Mutual	1450	2.49%	Valley Care Medical Center	1200	2.11%
Pleasanton Unified School District	1259	2.17%	A T & T	949	1.67%
A T & T	1000	1.72%	Pro Business	820	1.44%
Valley Care Medical Center	900	1.55%	Robert Half International	790	1.39%
State Fund Compensation Insurance	820	1.41%	E-Loan	750	1.32%
Macy's	705	1.21%	Fireside Thrift	700	1.23%
Ross Stores, Inc.	562	0.97%	Macy's	700	1.23%
City of Pleasanton	510	0.88%	City of Pleasanton	550	0.97%
Fireside Bank	481	0.83%	Documentum, Inc.	506	0.89%
Clorox Services Company	427	0.73%	Clorox Services Company	469	0.82%
Roche Molecular Systems, Inc.	371	0.64%	Kaiser Permanente	450	0.79%

"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 2007" 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 Seven Fiscal Years

Function	Full-Time and Part-Time and Limited Term Employees as of June 30						
	2002	2003	2004	2005	2006	2007	2008
General Government	44	44	44	44	44	45	45
* Public Safety	183	182	182	182	185	187	186
Development	20	20	18	18	20	20	22
Public Works	91	89	76	76	76	75	76
Community Activities	86	86	85	85	85	85	85
Utilities	35	35	35	35	35	35	35
Total	459	456	440	440	445	447	449

* 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

Operation Information

Operating Indicators by Function - Last Seven Fiscal Years

Capital Asset Statistics by Function - Last Seven Fiscal Years

City of Pleasanton Operating Indicators by Function Last Seven Fiscal Years

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Police:							
Arrests	2,574	3,000	2,450	2,401	2,281	2,414	2,563
Parking Citations Issued	1,447	1,712	1,866	1,398	1,285	1,175	1,019
Administrative Citations Issue	125	84	210	99	181	129	150
Fire:							
Number of Responses (Pleasanton only)	3,833	4,011	4,055	4,256	4,547	4,886	5,129
Number of Inspections (Pleasanton only) (1)	447	1,003	923	1,181	1,465	1,701	1,604
Library:							
Annual Circulation	845,266	969,833	969,483	1,047,607	1,109,541	1,237,543	1,303,995
Gate Count (# of people through the doors)	425,081	467,867	467,696	465,978	459,138	472,633	498,614
Finance							
Business Licenses Issued	7,828	8,272	9,362	10,529	10,933	9,206	9,368
Utility Bills Generated	122,094	123,750	128,172	128,256	128,838	131,027	131,290
Parks & Community Services:							
Paratransit Trips (2)	22,560	23,717	24,867	22,898	20,974	19,122	18,656
Golf Rounds Played (3)	0	0	0	0	45,229	73,365	72,092
Aquatics Youth Programs	9,193	8,235	16,523	17,364	16,002	16,838	17,756
Youth Sports, Camps, Classes and Leagues	N/A	6,556	5,639	7,039	9,299	11,755	12,782
Audiences & Performers at Amador Theater (4)	68,805	69,200	70,400	70,195	66,354	70,900	42,500
Building Department:							
Plan checks	941	982	1,131	1,217	1,110	989	438
Permits Issued	6,553	6,684	7,473	7,314	7,224	5,616	3,705
Public Works:							
Streets Resurfacing (miles)	11	12	13	11	10	10	9
Water:							
New Water Connections	182	204	283	279	180	113	52
Gallons Delivered	5,748,538,000	5,750,837,000	6,336,298,000	5,504,555,000	5,987,811,000	5,918,501,380	5,848,226,780
Wastewater:							
New Sewer Connections	310	213	325	258	201	185	65

(1) Number of inspections reflect data available for fire inspection 1/1/02 - 6/30/02. Only CUPA inspections recorded, no HazMat field inspection data

(2) 2006: Down two drivers/buses in April, May & June. Down one full-time driver from July 2006-June 2007 due to lack of qualified applicants. 2008: Down one driver position from 7/1/07-6/30/08 due to lack of qualified applicants. 1,352 trips served new Fixed Route operation.

(3) Callippe Preserve opened November 2005

(4) No Civic Arts Holiday Show in 2006. Amador Theater closed for 5 months in 2008 due to major renovations of the theatrical lighting system.

City of Pleasanton
Capital Asset Statistics by Function
Last Seven Fiscal Years

	Fiscal Year Ending June 30						
	2002	2003	2004	2005	2006	2007	2008
Police:							
Stations	1	1	1	1	1	1	1
Fire:							
Stations (Pleasanton only)	4	4	5	5	5	5	5
Library:							
Branches	1	1	1	1	1	1	1
Parks & Community Services:							
Parks (acres developed and maintained)	140	140	360	397	397	397	397
Municipal Golf Courses	0	0	0	0	1	1	1
Aquatic Centers	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1
Public Works:							
Streets (miles)	189	189	194	194	198	206	208
Streetlights	5,114	5,136	5,208	5,209	5,311	5,320	5,379
Traffic Signals	75	79	80	86	87	92	93
Water:							
Water mains (miles)	303	306	310	313	314	318	318
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M	37.0M	37.0M	37.0M
Wastewater:							
Sanitary Sewers (miles)	239	241	245	248	249	253	253
Storm Sewers (miles)	175	176	179	182	183	188	188

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