

CITY OF PLEASANTON CALIFORNIA



Gingerbread Preschool Playground Improvements
Completed 2009

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2009

City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2009

Prepared by the Finance Department

City of Pleasanton

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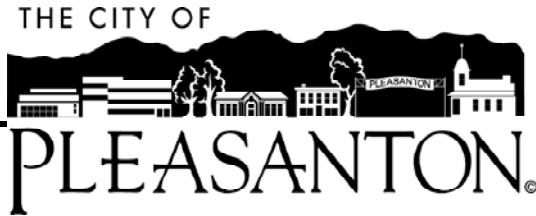
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December 18, 2009

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, 2009, 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, 2009.

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, 2009, 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, 2009, 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

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

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.

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 70,097. 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 (PJPPFA) 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 PJPPFA board. Therefore, financial information for the Housing Authority and the PJPPFA 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

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

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 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 52,257 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 one of the highest median household income in the nation (in cities with populations from 65,000 to 249,999) at \$109,000.

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 Q3 Class A office market vacancy rate increased to 17.6%, up from 16.2% six months prior, and 14.5% one year ago. Net absorption is reported at 112,251 square feet currently, compared to negative 45,628 square feet in the prior quarter. The year-to-date gross absorption for the Pleasanton Class A office market is 314,110 square feet, up from 208,876 square feet a year ago. This rise in gross absorption represents an increase of 33.5% in gross leasing activity as compared to the same period one year ago. Notable transactions include Sorenson Media Inc.'s renewal and expansion to approximately 9,532 square feet of Class A office space at Hacienda Terrace, and Kimley-Horn and Associates' relocation from Legacy Plaza in San Ramon to its occupation of 6,770 square feet of Class A office space at Stoneridge Corporate Plaza. In addition, Elavon Inc., relocated from Stoneridge Business Center (a Pleasanton office/flex project) to occupy 10,488 square feet of Class B office space at Hacienda Lakes. Currently, Ireland San Filippo CPA's LLC out of the South Bay is focused on leasing 8,200-8,900 square feet at either Signature Center or Hacienda West. Although gross absorption improved, the activity is highly attributable to inter-market tenant movements. Class A average asking rents declined from \$2.00 per square foot full service Q1 2009 to \$1.80 per square foot full

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

service currently (Colliers International – Tri-Valley report). In comparing 2009 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 (+5.0%), sales tax (-17.0%), hotel tax (-19.0%) and business license tax (-7.9%). These four revenue sources account for 81.7% of the City's General Fund revenue. The City anticipates secured property tax revenue to remain flat in 2010.

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

The Simon Property Group, the nation's largest shopping mall owner, acquired the Stoneridge Shopping Center from the Mills Corporation in April of 2007. Simon is in discussions with Nordstrom department store to relocate an approved additional 144,000 square feet at the mall.

Construction of a second Bay Area Rapid Transit (BART) station and adjacent parking structure located near the Stoneridge Mall is anticipated to be completed in 2010. The Windstar mixed-use project, including 350 apartments, also has City approvals. The Windstar project will include a number of below-market-rate units.

Oracle recently occupied a five-story 588-square-foot building and new parking structure next to its current building on the Pleasanton campus.

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 has submitted 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. An Environmental Impact Report (EIR) has been prepared, and project review is anticipated to be complete in March of 2010.

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. A new General Plan was adopted in July 2009, and the timeframe for build-out is estimated at approximately 2020 and

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

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 2009 of 218 days. The average yield of investments not held by fiscal agents was 2.28%. It is the City's practice to hold investments to maturity; therefore, gains and losses due to temporary market fluctuations are rarely realized.

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). Plans to develop up to 721,000 square feet of commercial/retail space on the site, adjacent to Interstate 680, are approved. 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. Phase I, including a playground and two baseball fields, opened in September of 2009.

Legacy Partners, a major real estate developer, purchased an approximately 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. The City is initiating a Specific Plan for the area that could result in a mixed-use complex including 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. The Center is scheduled to open in spring of 2010.

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

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.

The City of Pleasanton has been approved to receive two grants authorized under the American Reinvestment and Recovery Act (ARRA), for a total of \$2,492,700; an amount of \$692,700 from the Department of Energy (DOE) and \$1.8 million from the Federal Highway Administration.

The DOE grant of \$692,700 is designated for Energy Efficiency and Conservation projects. This grant will help the City to meet requirements to reduce green house gas emissions enacted by the State of California and the Federal Government. City staff has developed a comprehensive program for the funds designed to maximize the potential to reduce emissions and leverage rebates available to consumers for energy programs. In addition, grant money will be used to develop a community Climate Action Plan which will guide efforts in the City over the next ten years to reach targeted goals.

Additionally, the City of Pleasanton anticipates receiving \$1.8 million for local streets and roads. These funds have been targeted for resurfacing portions of Stoneridge Drive, Bernal Avenue, and Santa Rita Road. The resurfacing projects are broken up into three separate phases with the first phase already under construction. Phases two and three are slated to begin this spring and summer with all work being completed by the end of the summer in 2010.

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 \$8.9 million at June 30, 2009. Also at June 30, 2009, the City has \$10.9 million in the Temporary Recession Reserve, \$58.0 million in capital project reserves set aside for future projects, and \$48.7 million in reserves that have been set aside for insurance reserves, employee benefits, public art acquisition and maintenance, and long term replacement and renovation of equipment, vehicles, parks and facilities. Reserves set aside for Retiree Medical Benefits total \$42.9 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

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

expected to be added as we approach build-out; therefore, the City does not expect to be reliant on continued double-digit increases in revenue in the future to remain fiscally healthy and to continue to maintain its high service levels.

Awards and Acknowledgments

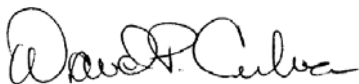
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pleasanton for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for 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 Diane Punzo, Financial Services Manager (Accounting), and Charly Yang, 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, 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

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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, 2008

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



President

Executive Director

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2009**

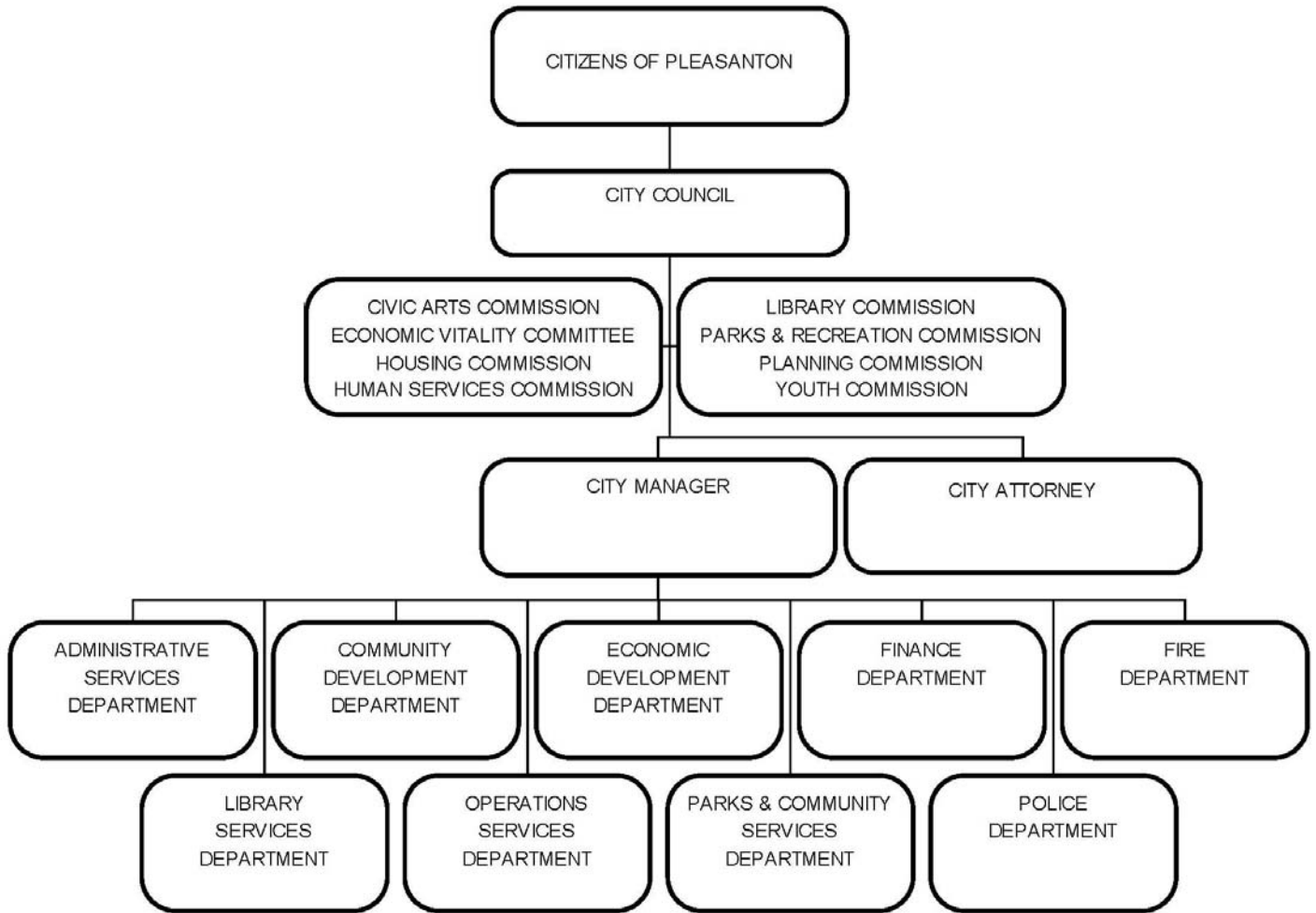
ELECTED OFFICIALS:

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

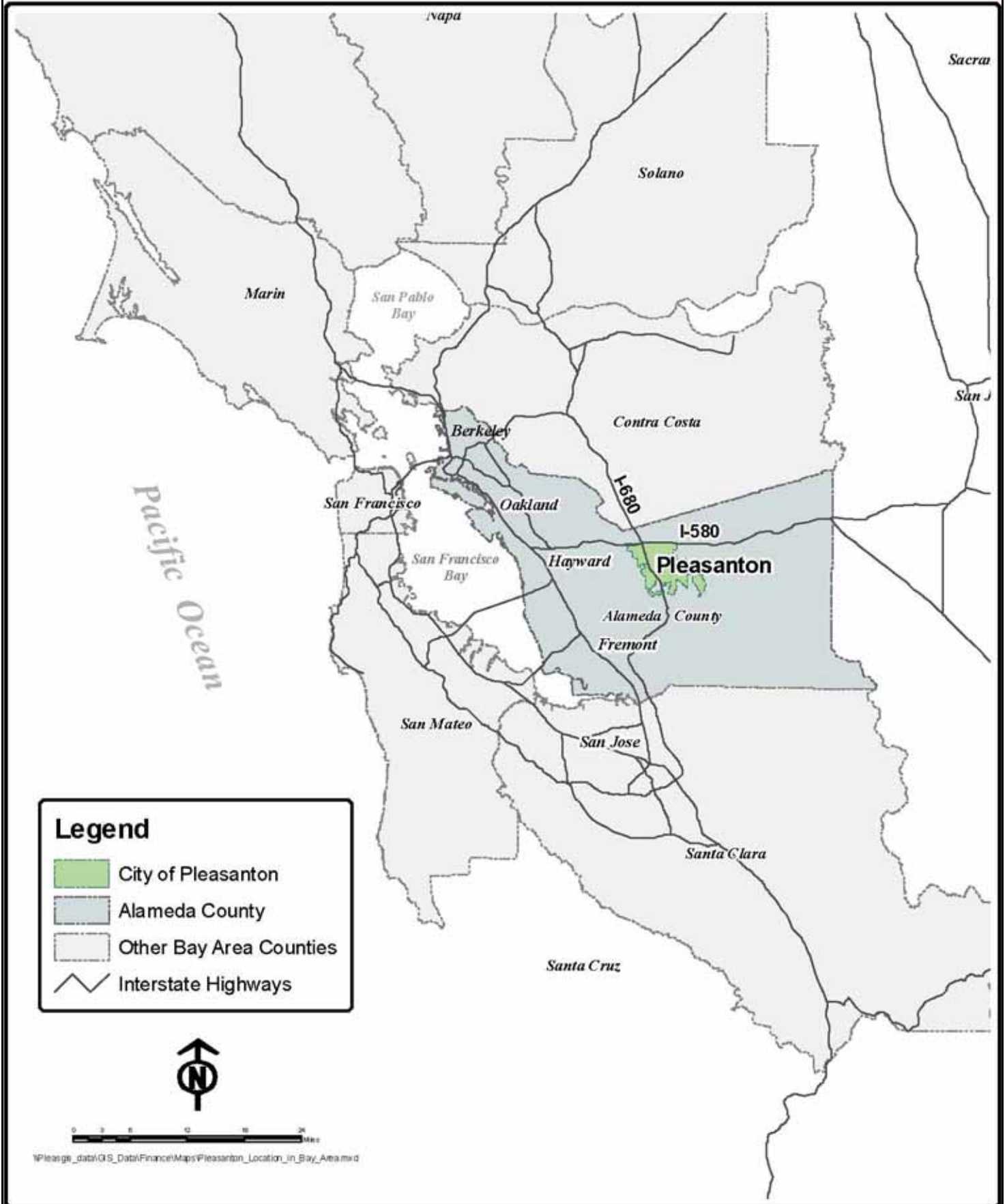
ADMINISTRATIVE PERSONNEL:

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 Community Development	Brian Dolan
Director of Operations Services	Daniel Smith
Director of Parks & Community Services	Susan Andrade-Wax
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, 2009



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, 2009, 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 \$639,462 of assets, \$63,469 of net assets, and \$4,374,085 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, 2009, 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 date of June 30, 2009 and the year then ended, the State of California (State) has borrowed, deferred paying certain revenues and proposed taking other funds from local governments including City of Pleasanton. These actions by the State include:

- 8% of Property Taxes borrowed - to be repaid in 3 years
- Gas Tax payments deferred - to be paid after January 1, 2010

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. For more detailed information, see Note 15 attached in the Notes to Basic Financial Statements.

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Sacramento

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San Diego

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San Diego, California 92111

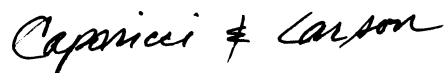
To the Honorable Mayor and Members of the City Council
of the City of Pleasanton
Pleasanton, California
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As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 43, Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans, No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, No. 55, the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments and No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, 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.



Oakland, California
December 18, 2009

**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, 2009 (FY09). 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 \$866.9 million (net assets). Of this amount, \$194.0 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$49.8 million is restricted for specific purposes (restricted net assets), and \$623.1 million is invested in capital assets, net of related debt.
- The City's total net assets increased by \$5.8 million during the fiscal year, a .7 percent increase. Of this amount, \$5.7 million was attributable to governmental activities, a 1.0 percent increase, and \$0.1 million was attributable to business-type activities.
- The City's governmental funds reported ending fund balances of \$106.6 million, a decrease of \$14.2 million or 13.3 percent in comparison with the prior year.
- The General Fund unreserved fund balance is \$23.7 million, of which \$9.0 million is designated for economic uncertainties, \$10.9 million is designated for temporary recession, \$1.8 million is designated for carryover appropriations and \$2.0 million is designated for golf debt service. The reserved portion of the fund balance is \$1.8 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 operation services were financed in the short-term, as well as what remains for future spending.
 - **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
 - **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, community development, operations services, and community activities (parks, recreation, and library). The business-type activities of the City include water, sewer, golf, transit, storm drain, and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All 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 in the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds* as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, transit, storm drain, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, 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.

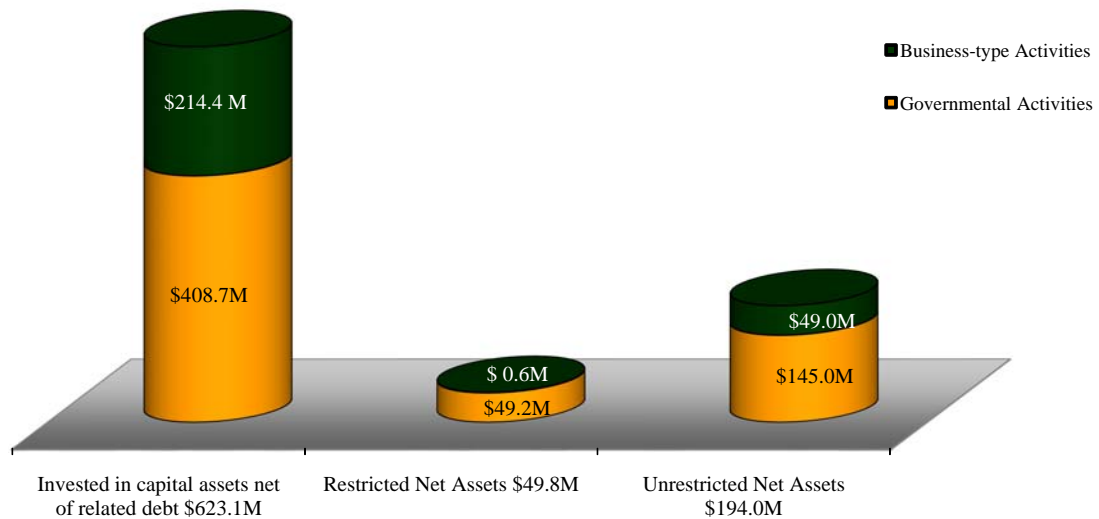
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for the fiscal years 2008 and 2009. 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, 2008 (2008) and June 30, 2009 (2009):

City of Pleasanton							
Net Assets (in millions of dollars)							
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2008 to 2009
	2008	2009	2008	2009	2008	2009	
Current and other assets	\$226.0	\$210.3	\$60.4	\$54.7	\$286.4	\$265.0	-7.5%
Capital assets	416.6	440.6	215.0	217.2	631.6	657.7	4.1%
Total assets	642.6	650.9	275.4	271.8	918.1	922.7	0.5%
Long-term liabilities	36.7	39.2	4.2	2.8	40.9	42.0	2.7%
Other liabilities	8.9	8.8	7.3	5.0	16.1	13.8	-14.3%
Total liabilities	45.5	48.0	11.5	7.8	57.0	55.8	-2.1%
Net Assets:							
Invested in capital assets net of related debt	386.9	408.7	210.8	214.4	597.7	623.1	4.2%
Restricted	56.5	49.2	0.6	0.6	57.2	49.8	-12.9%
Unrestricted	153.7	145.0	52.5	49.0	206.2	194.0	-5.9%
Total net assets, as restated	\$597.1	\$602.9	\$263.9	\$264.0	\$861.1	\$866.9	0.7%

Statement of Net Assets as of June 30, 2009



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 \$866.9 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 \$194.0 million (22.4 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 \$145.0 million of the unrestricted net assets of the City and business-type activities account for \$49.0 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 \$623.1 million (71.9 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 \$25.4 million (4.2 percent) in 2009. Additions totaled \$49.6 million, of which \$18.7 million were donated assets (\$.5 million of land and \$18.2 million of infrastructure). Additions included land additions (\$5.5 million), vehicle and equipment additions (\$2.2 million), and increases in construction in progress (\$22.1 million). These additions were partially offset by depreciation (\$20.7 million), completed construction in progress projects (\$17.7 million) and retirements of existing capital assets (\$2.8 million). At the same time, debt principal was reduced due to normal amortizations.
- The remaining net assets of \$49.8 million (5.7 percent of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$31.4 million restricted for the construction of major capital projects and for capital maintenance, \$1.0 million to pay for upcoming debt payments, and \$17.4 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
	2008	2009	2008	2009	2008	2009	
Revenues:							
Program revenues:							
Charges for Services	\$23.9	\$21.8	\$31.9	\$30.3	\$55.8	\$52.1	-6.6%
Operating grants & contributions	3.1	4.2	-	-	3.1	4.2	37.1%
Capital grants & contributions	21.6	15.9	7.1	10.9	28.7	26.8	-6.5%
Interfund charges	1.7	1.6	-	-	1.7	1.6	-8.7%
General revenues:							
Property taxes	48.0	50.4	-	-	48.0	50.4	5.1%
Sales taxes	21.1	17.5	-	-	21.1	17.5	-17.0%
All other taxes	9.3	8.1	-	-	9.3	8.1	-13.4%
All other general revenues	11.2	7.5	3.5	2.3	14.7	9.8	-33.5%
Total revenues	<u>\$140.0</u>	<u>\$127.1</u>	<u>\$42.4</u>	<u>\$43.5</u>	<u>\$182.4</u>	<u>\$170.6</u>	<u>-6.5%</u>
Expenses:							
General government	11.5	12.4	-	-	11.5	12.4	8.0%
Public safety	47.9	53.6	-	-	47.9	53.6	11.8%
Operations services	28.1	17.6	-	-	28.1	17.6	-37.3%
Community activities	20.0	24.2	-	-	20.0	24.2	21.1%
Water	-	-	16.2	20.7	16.2	20.7	27.5%
Sewer	-	-	12.7	12.8	12.7	12.8	0.3%
Golf	-	-	5.7	5.2	5.7	5.2	-8.5%
Other	6.3	13.6	2.4	2.9	8.7	16.6	91.6%
Interfund charges	-	-	1.7	1.6	1.7	1.6	-8.7%
Total expenses	<u>\$113.8</u>	<u>\$121.5</u>	<u>\$38.8</u>	<u>\$43.2</u>	<u>\$152.6</u>	<u>\$164.7</u>	<u>8.0%</u>
Revenues over (under) expenses	<u>\$26.2</u>	<u>\$5.6</u>	<u>\$3.6</u>	<u>\$0.2</u>	<u>\$29.9</u>	<u>\$5.8</u>	<u>-80.4%</u>
Transfer In/(Out)	0.9	0.1	(0.9)	(0.1)	0.0	0.0	0.0%
Change in net assets	\$27.1	\$5.7	\$2.7	\$0.1	\$29.9	\$5.8	-80.4%
Net assets, beginning of year	570.3	597.1	261.3	263.9	831.6	861.1	3.5%
Net assets, end of year as restated	<u><u>\$597.1</u></u>	<u><u>\$602.9</u></u>	<u><u>\$263.9</u></u>	<u><u>\$264.0</u></u>	<u><u>\$861.1</u></u>	<u><u>\$866.9</u></u>	<u><u>0.7%</u></u>

Changes in Net Assets

Governmental Activities increased the City's net assets by \$5.7 million, thereby accounting for 98.4 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 \$121.5 million including expenses for general government, public safety, operations services, and community activities. The expenses do not reflect capital outlays but rather include \$12.0 million in depreciation expenses.
- Program revenues only provided \$43.5 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 \$21.8 million.
 - Capital grants and contributions provided \$15.9 million, including land and infrastructure dedications of \$7.3 million, development related fees of \$4.4 million, grants and subventions of \$3.1 million, developer contributions of \$.6 million, and private donations of \$.5 million.
 - Operating grants and contributions totaled \$4.2 million.
 - Interfund charges totaled \$1.6 million.
- General revenues and transfers totaled \$83.7 million and included:
 - Tax revenues of \$76.0 million.
 - Investment income (not restricted to specific programs) of \$6.9 million.
 - Miscellaneous revenues and transfers between governmental activities and business-type activities of \$.8 million.
- *Business-type activities* increased the City's net assets by \$.1 million or 1.5 percent of the total growth in the net assets of the City.

Year to Year Variations in Revenues and Transfers

The City's total revenues were \$170.6 million for the year ended June 30, 2009, a decrease of \$11.8 million from the prior year. Revenues from governmental activities totaled \$127.1 million, a decrease of \$12.9 million. This decrease is mostly due to decreases in capital grants and contributions of \$5.7 million and a decrease in sales taxes of \$3.6 million. Other general revenues decreased by \$3.7 million. Revenues from business-type activities totaled \$43.5 million, an increase of \$1.1 million. This increase is mostly due to an increase in capital contributions of \$3.8 million offset by a decrease of \$1.6 million in miscellaneous revenues and \$1.6 million in charges for services program revenues.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$84.7 million (49.7 percent of the total revenues). Program revenues made up 34.2 percent of governmental activities revenue. In the prior year, program revenues accounted for 36.0 percent of governmental activities revenue. Program revenues accounted for 94.8 percent of business-type activities revenue, compared to 91.7 percent in 2008. 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 \$85.8 million (50.3 percent of the total revenues), and decreased by 7.9 percent from fiscal year 2008. The majority of general revenues came from property, sales, and other taxes (88.6 percent of general revenues). Only 2.6 percent of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$0.1 million this year, compared to \$.9 million in 2008.

Year to Year Variations in Expenses

Expenses of the City for the year totaled \$164.7 million. Governmental activities incurred \$121.5 million in expenses (73.8 percent of the total), and business-type activities incurred \$43.2 million in expenses during the year (26.2 percent of the total).

Expenses were up \$12.1 million (8.0 percent overall) in 2009 compared to 2008. Governmental activities increased \$7.7 million (6.8 percent), due mostly to an increase in public safety expenses of \$5.7 million (due mainly to internal service charges of \$ 2.6 million for the current fiscal year compared to internal service revenues of \$2.8 million in the prior fiscal year) and an increase in community activities expenses of \$4.2 million (due mainly to Alameda County Transportation Corridor land purchase of \$5.5 million). These increases were offset by a decrease in operations services and community development expenses (\$3.1 million). Business-type activities increased \$4.4 million (11.4 percent) due mostly to an increase in water 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 \$106.6 million, a decrease of \$14.2 million in comparison with the prior year. Approximately \$104.4 million of the amount constitutes *unreserved fund balance*.

The net decrease in fund balance is mostly due to decreases in the Special Revenue Funds of \$1.3 million and \$12.9 million in the Capital Project Funds. The fund balance of Special Revenue Gas Tax Fund was decreased by \$1.2 million (net of current year revenues of \$1.7 million) for repairs and improvements of local streets. For Capital Project Funds, Park Capital Improvement Program fund balance was decreased by \$4.8 million (net of transfer revenues of \$1.8 million) largely due to Bernal Community Park Reserve (Phase I) project expenditures of \$5.1 million and the completion of Alviso Adobe Community Park for \$1.5 million. The fund balance of \$2.2 million (net of current year revenue of \$.5 million) from Traffic Impact fund was used to construct the second bridge over at Arroyo Del Valle at Vineyard Avenue.

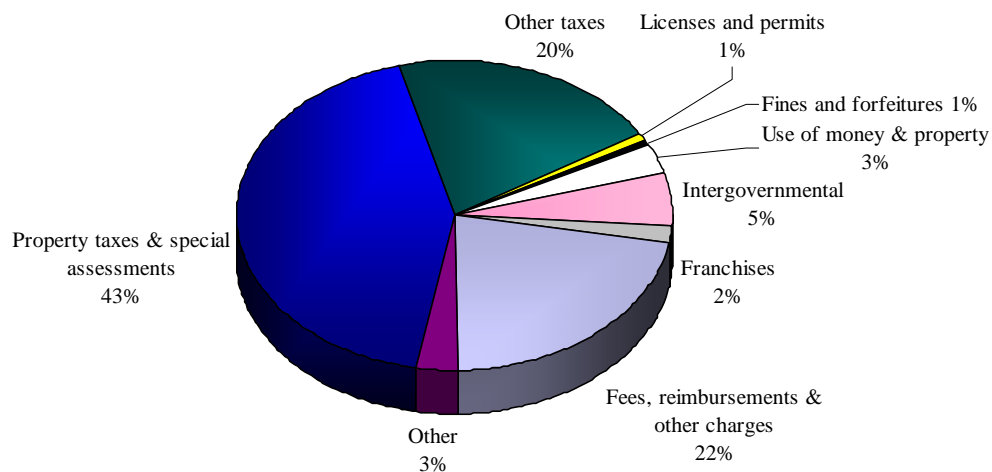
Temporary Recession reserves in the General Fund were increased to provide a cushion against an economic recession and any potential further downturn in the economy. Temporary Recession reserves were increased \$3.0 million while Capital Project reserves and Economic Uncertainties reserves were reduced by \$3.0 million and \$0.4 million, respectively. The remainder of the governmental funds combined fund balance (\$2.2 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 2008		FY 2009		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$48.2	36.9%	\$50.6	43.0%	2.4	5.1%
Other taxes	28.7	22.0%	23.9	20.3%	-4.8	-16.7%
Licenses and permits	1.7	1.3%	1.0	0.8%	-0.7	-42.5%
Fines and forfeitures	0.6	0.4%	0.5	0.4%	-0.1	-15.4%
Use of money & property	6.3	4.8%	3.9	3.3%	-2.4	-38.7%
Intergovernmental	5.9	4.5%	5.6	4.8%	-0.3	-5.6%
Franchises	1.8	1.4%	1.8	1.6%	0.0	2.6%
Fees, reimbursements & other charges	33.5	25.7%	26.6	22.6%	-6.9	-20.6%
Other	3.8	2.9%	3.7	3.2%	-0.1	-3.4%
Total	\$130.5	100.0%	\$117.6	100.0%	-12.9	-9.9%

**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 \$2.4 million, (5.1 percent). This increase is primarily due to an \$853 million (5.1 percent) increase in the secured property tax assessment roll in comparison to the prior year, which accounts for about \$2.3 million of the increase. Supplemental taxes decreased approximately \$0.7 million in 2009 but were mitigated by a \$9 million increase in the collection of delinquent prior taxes.

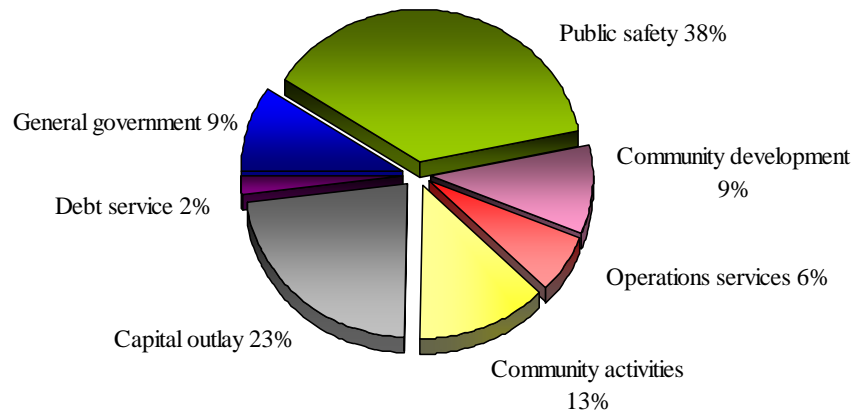
- *Other taxes* decreased by \$4.8 million (16.7 percent). This decrease is due to the economic recession of the nation and the state. Sales tax decreased \$3.6 million, business license tax decreased \$.2 million, hotel tax decreased \$.6 million and documentary transfer tax decreased \$.4 million. Sales tax decreases reflect a softening of sales for both the consumer sector and business to business market. Hotel tax decreases are the direct result of the slowdown in tourism that generates this revenue.
- *License and permits* decreased by \$.7 million (42.5 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 2009. 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) decreased by \$2.4 million (38.7 percent). Interest earnings accounted for \$1.7 million of the decrease as the City earned an average interest rate of 2.3% during 2009, as compared to an average interest rate of 4.8% during 2008, 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 2009 compared to 2008 accounted for \$.6 million of this decrease.
- *Fees, reimbursements & other charges* decreased by \$6.9 million (20.6 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. In comparison with the last fiscal year funding of \$4.4 million, there was no funding during the current fiscal year. In addition, the City of Pleasanton received \$3.0 million from the Tri-Valley Transportation Council for the I-580 HOV Lane project. The funding was decreased by \$1.2 million in comparison with the prior year. 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.

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 2008		FY 2009		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$12.4	10.1%	\$12.1	9.1%	-\$0.3	-2.4%
Public safety	50.0	40.6%	50.4	37.7%	0.4	0.8%
Community development	5.8	4.7%	12.5	9.4%	6.7	115.5%
Operations services	15.8	12.8%	8.0	6.0%	-7.8	-49.4%
Community activities	18.6	15.1%	17.6	13.2%	-1.0	-5.4%
Capital outlay	18.1	14.7%	30.5	22.8%	12.4	68.5%
Debt service:						
Principal	1.4	1.1%	1.4	1.0%	0.0	0.0%
Interest and fiscal charges	1.2	1.0%	1.1	0.8%	-0.1	-8.3%
Total	\$123.3	100.0%	\$133.6	100.0%	\$10.3	8.4%

**Expenditures by Function
Governmental Funds**



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

- **Community development & operations services** - The net increase of \$6.7 million (115.5%) from Community development and the net decrease of \$7.8 million (49.4%) are mainly due to reorganization during the fiscal year. Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operations Services.
- **Capital outlay** - totaling \$30.5 million this year, varies from year to year and increased by \$12.4 million (68.5 percent). Significant project costs were incurred in the following projects: Bernal Property Community Park Reserve (Phase I) project (\$5.1 million), the Firehouse Arts Center (\$4.7 million), the Bernal Bridge (\$4.2 million), and I-580 HOV Lane project (\$2.9 million).

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, operations services, parks and community services, library, 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, 2009, 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 \$2.2 million while other tax revenues such as sales, documentary transfer, business license and hotel tax revenues were less than expected by \$2.4 million.
- Expenditures net of transfers out were less than expected by \$3.5 million.

- Temporary Recession Reserves were increased by \$3 million from \$7.9 million to \$10.9 million to address unforeseen impacts related to the economy or positional additional State borrowing of local funds. This increase was offset by the Capital Improvement Reserve that was established for high priority capital projects.

The following table summarizes all General Fund reserves and designations, showing the beginning balances, plus changes resulting from FY09 operations and transfers to the CIP, and the resulting ending balances.

City of Pleasanton
General Fund Reserves and Designations as of 6/30/09

	Balance 6/30/2008	Budgeted Additions	Year-end 09 Actual Additions	Budget to Actual Variance	Balance 6/30/2009
Reserved:					
Encumbrances	\$ 575,907	\$ -	\$ 1,180,630	\$ 1,180,630	\$ 1,756,537
Inventory	67,349	-	(67,349)	(67,349)	-
Unreserved, designated:					
Economic Uncertainty	9,410,000	(410,000)	(420,000)	(10,000)	8,990,000
Carryovers	2,497,190	(2,910,377)	(692,991)	2,217,386	1,804,199
Golf Debt Service	2,000,000	-	-	-	2,000,000
Capital Projects	3,000,000	(3,000,000)	(3,000,000)	-	-
Temporary Recession	7,900,000	3,000,000	3,000,000	-	10,900,000
TOTAL	\$ 25,450,446	\$ (3,320,377)	\$ 290	\$ 3,320,667	\$ 25,450,736

While the City maintains the above reserves and designations consistent with its formal financial policies, only \$1.8 million of the \$25.5 million ending fund balance was contractually committed (encumbered). This encumbrance is reflected on the Governmental Funds Balance Sheet as the “reserved” portion of the General Fund’s total fund balance as of June 30, 2009. The remaining \$23.7 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 \$80,000 in new housing loans this year; \$20,000 in State loans and \$60,000 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 remained about the same as last fiscal year. However, the fees collected from developers of new residential, commercial and office buildings were amounted to \$247,921, significantly reduced compared to the prior year amount of \$795,436.
 - 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 3.9 percent greater this year than in 2008, due primarily to increased personnel costs. Scheduled salary, step increases and retirement costs contributed \$.5 million increase 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 2009.

The City had two *Debt Service* funds remaining as of June 30, 2009. 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 2009.

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 \$18.6 million for the Water Fund, \$25.2 million for the Sewer Fund, \$2.2 million for the Golf Fund, \$.9 million for the Storm Drain Fund and \$.5 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 \$.1 million. Increases included \$2.7 million in the Storm Drain Fund, \$1.1 in the Sewer Fund and \$.5 million in the non-major enterprise funds. Decreases occurred in the Water Fund of \$2.5 million and in the Golf Fund of \$1.7 million.

- The decrease in the Water Fund net assets was due primarily to higher material, supplies and services expenditures by \$3.6 million compared to the last year. With reduced water revenues, the operating loss was widened to \$5.9 million compared to the prior year loss of \$1.3 million. This loss was 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 increase in the Sewer Fund was due primarily to capital contributions of \$4.2 million offset by an operating loss of \$1.8 million. The capital contributions from developers were for sewer infrastructure improvements primarily at new residential subdivisions throughout the City.
- Golf Fund net assets decreased \$1.7 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 \$.9 million this year towards the debt service payment. There was a golf operating loss of \$.5 million, as opposed to a \$.3 million operating loss in 2008. This was only the third full year of operations for the City's golf course.
- The net increase in the Storm Drain Fund was due primarily to capital contributions of \$3.9 million offset by an operating loss of \$1.4 million. Capital contributions were storm drain infrastructure additions at new residential subdivisions throughout the City.

Fiduciary funds. The detail of the Fiduciary fund financial statements can be found on pages 44-45 of this report.

During the current fiscal year, the City created two Internal Revenue Code Section 115 Irrevocable Trust accounts to pre-fund the other post employment benefits (OPEB) liability as the best means for meeting GASB #43 and #45 standards and City financial obligations. Both Miscellaneous and Fire Retiree Medical Trust funds are restricted solely for the benefit of paying retiree medical benefits and are no longer considered assets owned by the City. An annual required contribution (ARC) of \$7.7 million (less current year benefit payments) to the trusts was made and invested in low risk fixed income investments. Detail information about the City's OPEB obligations can be found in *Note 12* in the **Notes to the Basic Financial Statements**.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's original budget, final budget and actual results for 2009 revenue, expenditures and transfers. Revenues were less than projections by 0.2 percent (\$0.1 million) and expenditures net of carryovers were under budget by about 1.9 percent (\$1.7 million).

Differences between the original and final revenue budget reflect a decrease of \$5.7 million (6.0 percent), and reflect (among other things) adjustments in projections for property, sales and other tax revenues (\$4.5 million decrease), permits (\$.5 million decrease), and charges for services (\$.5 million decrease). Differences between the original and final expenditure budget represent a \$4.0 million decrease (4.4 percent) and reflect adjustments in replacement plan contributions (\$3.2 million decrease), position vacancies (\$0.8 million decrease), operating department reductions (\$.5 million decrease), operating carryovers and other miscellaneous adjustments (net of \$.4 million increase).

General Fund 2008-09 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues	\$95,828,484	\$90,078,825	\$89,934,195	(\$144,630)
Expenditures	92,759,897	88,719,330	85,245,705	(3,473,625)
Other Financing Sources(Uses):				
Transfers in	1,331,613	1,340,981	1,340,981	-
Transfers out	(8,630,200)	(6,020,852)	(6,029,181)	(8,329)
Net change in fund balance	(\$4,230,000)	(\$3,320,376)	\$290	\$3,320,666

General Fund actual revenues were less than final budget estimates by \$0.1 million in 2009. 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 56.1% of total revenues. Actual property tax collections in 2008-09 were \$2.2 million above the final budget estimates and increased 5.1% from the prior fiscal year. Property tax revenues include secured, delinquent and supplemental property taxes. Sales tax revenues declined sharply due to adverse economic conditions in retail sectors by 17.0% from the prior year, and were below budget estimates by \$1.4 million.

Expenditures net of transfers out were less than expected by \$3.5 million. Of the \$3.5 million, \$1.8 million in appropriations were carried over to 2009, leaving a net variance of \$1.7 million in expenditures (after carryovers). Most of the variance was in personnel costs (\$.9 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, 2009 was \$657.7 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 \$26.1 million or 4.1% (net of accumulative depreciation).

Major capital asset events during the current fiscal year included:

- Governmental activities totaling \$36.5 million included:
 - City street improvements of \$9.7 million, of which \$7.8 million were donated to City’s land and infrastructure; and the acquisition of the Alameda County Transportation Corridor of \$5.5 million. The City purchased a vacant property to construct parking facilities and other improvements for the Pleasanton downtown area. Under the Alameda County Transportation Corridor Purchase Agreement \$3.4 million was financed over seven years. The first two payments are interest free. The remaining payments include interest at the LAIF rate prevailing on the due date.
 - Replacement of vehicles and equipment and repairs of facilities (\$1.6 million).
 - Increase in construction in progress. Major increases occurred in the Bernal Community Park (\$5.1 million), the Firehouse Arts Center (\$4.7 million), the Bernal Bridge (\$4.2 million) and the Alviso Adobe Community Park (\$1.7 million) projects.
- These additions were offset by decreases due to depreciation of \$12.0 million.
- Business-type activities totaling \$13.1 million included:
 - Various City water/sewer/storm drain projects of \$11.8 million, of which \$10.9 million were donated to City’s water (\$2.8 million), sewer (\$4.2 million), and storm drain (\$3.9 million) infrastructures.
- These additions were partially offset by decreases due to depreciation of \$8.7 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 as restated							
(net of depreciation, in millions of dollars)							
	Governmental Activities		Business-Type Activities		Total		Increase/ (Decrease)
	2008	2009	2008	2009	2008	2009	% Change
Infrastructure	\$126.5	\$128.5	\$137.6	\$144.0	\$264.2	\$272.5	3.2%
Land	209.1	215.1	14.3	14.3	223.3	229.3	2.7%
Buildings	43.9	44.7	22.9	22.5	66.8	67.3	0.6%
Improvements other than buildings	12.8	18.9	25.7	25.4	38.6	44.3	14.9%
Vehicles & equipment	7.3	8.0	6.0	8.9	13.3	16.9	23.8%
Construction in progress	17.0	25.4	8.5	2.1	25.5	27.4	7.6%
Total	<u>\$416.6</u>	<u>\$440.6</u>	<u>\$215.0</u>	<u>\$217.2</u>	<u>\$631.6</u>	<u>\$657.7</u>	<u>4.1%</u>

Among the significant design/construction commitments outstanding at the end of the year were \$5.5 million for the Firehouse Arts Center, \$1.3 million for the Bernal Community Park Phase I & II, and \$5 million for the Bernal Avenue Bridge and Street Widening.

Prior period adjustments were recorded to the governmental and business activities to adjust capital assets to bring down the values of assets, net of depreciation by \$271,530 and \$133,976, respectively. Additional information about the City's capital assets can be found in Note 5 and Note 14 in the Notes to the Basic Financial Statements.

Debt Administration

Debt, considered a liability of governmental activities, decreased by \$1.4 million in FY09.

- The 2003 Certificates of Participation (COPs) outstanding were reduced by \$935,000 as the result of the normal amortization of the debt.
- The 2004 Certificates of Participation (COPs) outstanding were reduced by \$490,000 as the result of the normal amortization of the debt.

Debt of the business-type activities decreased in 2009 by \$1.5 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, 2008 and 2009:

City of Pleasanton Long Term Debt Outstanding						
	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
State CALHFA Help Program						
note payable	\$ 322,487	\$ 342,487	\$ -	\$ -	\$ 322,487	\$ 342,487
State CALHFA Help Loan	1,500,000	1,500,000	-	-	1,500,000	1,500,000
Golf Course Capital Lease	-	-	296,531	149,158	296,531	149,158
2003 Certificates of Participation	25,225,000	24,290,000	-	-	25,225,000	24,290,000
2004 Refunding Lease						
Certificates of Participation	2,605,000	2,115,000	-	-	2,605,000	2,115,000
Notes Payable - Federal Financing Bank	-	-	274,117	226,105	274,117	226,105
2002 Sewer Revenue Bonds	-	-	820,000	420,000	820,000	420,000
2004 Water Revenue Bonds	-	-	1,645,000	975,000	1,645,000	975,000
2004 Sewer Revenue Bonds	-	-	1,190,000	995,000	1,190,000	995,000
TOTAL	\$ 29,652,487	\$ 28,247,487	\$ 4,225,648	\$ 2,765,263	\$ 33,878,135	\$ 31,012,750

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 5.1% between fiscal year 2008 and fiscal year 2009. Property taxes increased between fiscal year 2008 and 2009 by 5.0% 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 11.4% as of June 2009 as compared with 6.1% for June 2008. 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, 2010 as follows:

- Miscellaneous Plan - 26.89%
- Safety Fire Plan - 38.08%
- Safety Police Plan (pooled) - 40.23%

At the time of the budget preparation for FY 2009-10, the economic outlook for the City was considered to be stable. The General Fund Budget for FY 2009-10 of approximately \$87.3 million was adopted with revenues and expenditures plus transfers in balance. This represents a 2.9% decrease 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, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 194,297,751	\$ 33,415,846	\$ 227,713,597
Receivables (net):			
Accounts	5,013,000	3,846,208	8,859,208
Taxes	872,747	-	872,747
Grants	1,089,582	-	1,089,582
Interest	1,729,044	291,055	2,020,099
Deposits	1,000,000	-	1,000,000
Internal balances	(1,535,766)	1,535,766	-
Inventory and prepaid items	-	132,046	132,046
Restricted cash and investments	404,188	610,294	1,014,482
Long-term receivable	-	130,408	130,408
Notes receivable	6,711,388	-	6,711,388
Bond issuance cost, net	730,961	82,929	813,890
Net investment in joint ventures	-	14,638,639	14,638,639
Capital assets:			
Nondepreciable	240,459,404	16,326,138	256,785,542
Depreciable, net	200,121,501	200,828,918	400,950,419
Total assets	650,893,800	271,838,247	922,732,047
LIABILITIES			
Accounts payable	5,612,890	4,575,628	10,188,518
Payroll payable	2,378,793	150,296	2,529,089
Interest payable	282,895	9,949	292,844
Refundable deposits	258,932	67,770	326,702
Unearned revenue	252,621	233,073	485,694
Long-term liabilities:			
Due within one fiscal year	3,800,487	925,388	4,725,875
Due in more than one fiscal year	35,439,426	1,839,875	37,279,301
Total liabilities	48,026,043	7,801,979	55,828,023
NET ASSETS			
Invested in capital assets, net of related debt	408,670,524	214,389,793	623,060,317
Restricted for:			
Debt service	404,188	610,294	1,014,482
Capital projects	31,426,096	-	31,426,096
Special projects	1,458,338	-	1,458,338
Community development	15,898,916	-	15,898,916
Total restricted net assets	49,187,538	610,294	49,797,832
Unrestricted net assets	145,009,695	49,036,181	194,045,876
Total net assets	\$ 602,867,757	\$ 264,036,268	\$ 866,904,025

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Activities
For the year ended June 30, 2009

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 12,390,436	\$ (1,638,779)	\$ 553,377	\$ -	\$ -
Public safety	53,586,653	-	15,222,341	2,190,595	-
Community development	12,484,577	1,179	2,143,307	1,355,786	-
Operations services	17,633,795	(859,094)	115,257	65,940	14,478,032
Community activities	24,239,313	940,698	3,794,922	626,552	1,422,388
Interest on long-term debt	1,159,175	-	-	-	-
Total governmental activities	121,493,949	(1,555,996)	21,829,204	4,238,873	15,900,420
Business-type activities:					
Water	20,716,276	225,646	14,882,156	-	2,789,572
Sewer	12,769,311	1,199,468	10,461,999	-	4,183,951
Golf	5,249,520	-	4,374,085	-	-
Transit	708,954	-	42,289	-	-
Storm Drain	1,765,413	129,417	361,563	-	3,939,783
Cemetery	46,518	1,465	-	-	-
Pleasanton Housing Authority	413,767	-	175,873	-	-
Total business-type activities	41,669,759	1,555,996	30,297,965	-	10,913,306
Total primary government	\$ 163,163,708	\$ -	\$ 52,127,169	\$ 4,238,873	\$ 26,813,726

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, as restated (Note 14)

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
\$ (10,198,280)	\$ -	\$ (10,198,280)
(36,173,717)	-	(36,173,717)
(8,986,663)	-	(8,986,663)
(2,115,472)	-	(2,115,472)
(19,336,149)	-	(19,336,149)
(1,159,175)	-	(1,159,175)
<u>(77,969,456)</u>	<u>-</u>	<u>(77,969,456)</u>
-	(3,270,194)	(3,270,194)
-	677,171	677,171
-	(875,435)	(875,435)
-	(666,665)	(666,665)
-	2,406,516	2,406,516
-	(47,983)	(47,983)
-	(237,894)	(237,894)
<u>-</u>	<u>(2,014,484)</u>	<u>(2,014,484)</u>
<u>(77,969,456)</u>	<u>(2,014,484)</u>	<u>(79,983,940)</u>
50,414,405	-	50,414,405
6,031,852	-	6,031,852
17,535,784	-	17,535,784
236,475	-	236,475
1,829,153	-	1,829,153
<u>76,047,669</u>	<u>-</u>	<u>76,047,669</u>
6,863,523	1,176,950	8,040,473
663,770	1,078,280	1,742,050
144,302	(144,302)	-
<u>83,719,264</u>	<u>2,110,928</u>	<u>85,830,192</u>
5,749,808	96,444	5,846,252
597,117,949	263,939,824	861,057,773
<u>\$ 602,867,757</u>	<u>\$ 264,036,268</u>	<u>\$ 866,904,025</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
ASSETS					
Cash and investments	\$ 22,772,709	\$ 15,436,241	\$ 1,530,990	\$ 65,040,638	\$ 104,780,578
Receivables (net):					
Accounts	3,813,517	45,899	441,667	701,120	5,002,203
Taxes	872,747	-	-	-	872,747
Grants	-	-	-	1,089,582	1,089,582
Interest	304,679	128,980	18,119	509,393	961,171
Deposits	-	-	-	1,000,000	1,000,000
Due from other funds	1,012,574	-	-	-	1,012,574
Restricted cash and investments	-	-	-	404,188	404,188
Notes receivable	89,239	6,427,149	-	195,000	6,711,388
Total assets	\$ 28,865,465	\$ 22,038,269	\$ 1,990,776	\$ 68,939,921	\$ 121,834,431
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,784,387	\$ 13,772	\$ 883,945	\$ 2,081,693	\$ 4,763,797
Payroll payable	1,569,316	-	809,363	-	2,378,679
Due to other funds	-	-	-	983,351	983,351
Refundable deposits	-	2,189	-	256,743	258,932
Deferred revenue	61,026	6,427,149	175,851	210,743	6,874,769
Total liabilities	3,414,729	6,443,110	1,869,159	3,532,530	15,259,528
Fund Balances:					
Reserved for:					
Encumbrances	1,756,537	-	-	-	1,756,537
Debt service	-	-	-	404,188	404,188
Unreserved, designated:					
General fund	23,694,199	-	-	-	23,694,199
Special revenue funds	-	15,595,159	121,617	7,037,794	22,754,570
Capital project funds	-	-	-	57,965,409	57,965,409
Total fund balances	25,450,736	15,595,159	121,617	65,407,391	106,574,903
Total liabilities and fund balances	\$ 28,865,465	\$ 22,038,269	\$ 1,990,776	\$ 68,939,921	\$ 121,834,431

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, 2009

Fund Balances - Total Governmental Funds	\$ 106,574,903
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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 \$9,783,003.	430,797,902
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Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.	6,622,148
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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.	730,961
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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.	90,072,224
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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	(24,290,000)
2004 Certificates of Participation	(2,115,000)
Note payable to State	(1,842,487)
Note payable to Alameda County	(3,400,000)
Accrued interest payable	(282,895)
Total long-term liabilities	(31,930,382)

Net Assets of Governmental Activities	<u>\$ 602,867,757</u>
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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, 2009

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-Major Governmental Funds	Total
REVENUES:					
Taxes	\$ 74,321,964	\$ -	\$ -	\$ -	\$ 74,321,964
Special assessments	-	-	-	194,311	194,311
Licenses	11,536	-	-	-	11,536
Permits	974,211	-	-	-	974,211
Fines and forfeitures	471,606	-	-	-	471,606
Use of money and property	852,418	819,220	23,779	2,144,801	3,840,218
Intergovernmental	985,029	-	797,018	3,803,329	5,585,376
Franchises	1,829,153	-	-	-	1,829,153
Charges for services	1,112,166	-	13,268,911	28,698	14,409,775
Development fees	141,611	247,921	-	4,357,504	4,747,036
Plan check fees	483,500	-	-	-	483,500
Reimbursements	1,738,840	218,781	45,092	140,062	2,142,775
Contributions and donations	10,366	-	1,000	1,134,515	1,145,881
Other revenues	3,292,968	-	-	414,124	3,707,092
Recreation charges	3,708,827	-	-	-	3,708,827
Total revenues	89,934,195	1,285,922	14,135,800	12,217,344	117,573,261
EXPENDITURES:					
Current:					
General government	12,127,645	-	-	-	12,127,645
Public safety	36,309,043	-	14,027,822	17,603	50,354,468
Community development	10,923,349	439,972	-	1,090,238	12,453,559
Operations services	7,833,527	-	-	173,072	8,006,599
Community activities	17,310,675	-	-	311,169	17,621,844
Capital outlay	741,466	-	306,832	29,428,019	30,476,317
Debt service:					
Principal	-	-	-	1,425,000	1,425,000
Interest, fiscal charges	-	-	-	1,129,603	1,129,603
Total expenditures	85,245,705	439,972	14,334,654	33,574,704	133,595,035
REVENUES OVER (UNDER) EXPENDITURES	4,688,490	845,950	(198,854)	(21,357,360)	(16,021,774)
OTHER FINANCING SOURCES (USES):					
Issuance of notes payable	-	20,000	-	-	20,000
Transfers in	1,340,981	36,879	-	9,816,047	11,193,907
Transfers out	(6,029,181)	-	-	(3,331,873)	(9,361,054)
Total other financing sources (uses)	(4,688,200)	56,879	-	6,484,174	1,852,853
Net change in fund balances	290	902,829	(198,854)	(14,873,186)	(14,168,921)
FUND BALANCES:					
Beginning of year	25,450,446	14,692,330	320,471	80,280,577	120,743,824
End of year	\$ 25,450,736	\$ 15,595,159	\$ 121,617	\$ 65,407,391	\$ 106,574,903

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, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ (14,168,921)
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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 \$2,152,938).	23,439,924
Depreciation (net of internal service funds of \$1,469,969).	(10,526,991)

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.

	7,822,818
--	-----------

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.

	(104,820)
--	-----------

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.

	87,170
--	--------

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.

	10,443
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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.

	(20,000)
--	----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repayments:

2003 Certificates of Participation	935,000
2004 Certificates of Participation	490,000

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.

	(1,879,024)
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Change in Net Assets of Governmental Activities	<u>\$ 5,749,808</u>
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PROPRIETARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Fund	
			Facilities	Operations
ASSETS				
Current assets:				
Cash and investments	\$ 17,810,698	\$ 11,078,913	\$ 2,878,450	\$ 121,801
Receivables (net):				
Accounts	2,709,235	1,078,436	-	6,446
Interest	157,043	102,931	21,854	-
Inventory and prepaid items	-	-	-	132,046
Restricted cash and investments	359,667	250,627	-	-
Total current assets	21,036,643	12,510,907	2,900,304	260,293
Noncurrent assets:				
Long-term receivable	130,408	-	-	-
Bond issuance costs, net of accumulated amortization	41,717	41,212	-	-
Net investment in joint ventures	-	14,638,639	-	-
Advances to other funds	473,000	-	-	-
Capital assets:				
Nondepreciable	2,192,478	1,561,219	12,434,327	-
Depreciable, net	80,575,946	63,555,180	26,991,705	379,169
Total noncurrent assets	83,413,549	79,796,250	39,426,032	379,169
Total assets	104,450,192	92,307,157	42,326,336	639,462
LIABILITIES				
Current liabilities:				
Accounts payable	2,604,213	1,662,849	28,866	227,414
Due to other funds	-	-	-	-
Payroll payable	85,991	35,394	-	-
Interest payable	-	-	-	-
Refundable deposits	-	-	-	55,215
Deferred revenue	51,144	-	-	144,206
Accrued compensated absences	-	-	-	-
Claims payable	-	-	-	-
Capital leases payable - due within one year	-	-	-	149,158
Notes payable - due within one year	-	-	-	-
Bonds payable - due within one year	150,000	575,000	-	-
Total current liabilities	2,891,348	2,273,243	28,866	575,993
Noncurrent liabilities:				
Accrued compensated absences - due in more than one year	-	-	-	-
Claims payable - due in more than one year	-	-	-	-
Capital leases payable - due in more than one year	-	-	-	-
Notes payable - due in more than one year	-	-	-	-
Bonds payable - due in more than one year	825,000	840,000	-	-
Advances from other funds	-	-	473,000	-
Total noncurrent liabilities	825,000	840,000	473,000	-
Total liabilities	3,716,348	3,113,243	501,866	575,993
NET ASSETS				
Invested in capital assets, net of related debt	81,793,424	63,701,399	39,426,032	230,011
Restricted for:				
Debt service	359,667	250,627	-	-
Unrestricted	18,580,753	25,241,888	2,398,438	(166,542)
Total net assets	\$ 100,733,844	\$ 89,193,914	\$ 41,824,470	\$ 63,469

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.

See accompanying Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds			Governmental
			Activities
Storm Drain	Other Non-Major Enterprise Funds	Total	Internal Service Funds
\$ 905,574	\$ 620,410	\$ 33,415,846	\$ 89,517,173
4,420	47,671	3,846,208	10,797
8,030	1,197	291,055	767,873
-	-	132,046	-
-	-	610,294	-
<u>918,024</u>	<u>669,278</u>	<u>38,295,449</u>	<u>90,295,843</u>
-	-	130,408	-
-	-	82,929	-
-	-	14,638,639	-
-	-	473,000	-
76,364	61,750	16,326,138	1,211,946
<u>28,598,845</u>	<u>728,073</u>	<u>200,828,918</u>	<u>8,571,057</u>
<u>28,675,209</u>	<u>789,823</u>	<u>232,480,032</u>	<u>9,783,003</u>
<u>29,593,233</u>	<u>1,459,101</u>	<u>270,775,481</u>	<u>100,078,846</u>
30,258	22,028	4,575,628	849,093
-	29,223	29,223	-
12,254	16,657	150,296	114
-	9,949	9,949	-
-	12,555	67,770	-
-	37,723	233,073	-
-	-	-	667,966
-	-	-	1,307,521
-	-	149,158	-
-	51,230	51,230	-
-	-	725,000	-
<u>42,512</u>	<u>179,365</u>	<u>5,991,327</u>	<u>2,824,694</u>
-	-	-	4,705,086
-	-	-	911,853
-	-	-	-
-	174,875	174,875	-
-	-	1,665,000	-
-	-	473,000	-
-	<u>174,875</u>	<u>2,312,875</u>	<u>5,616,939</u>
<u>42,512</u>	<u>354,240</u>	<u>8,304,202</u>	<u>8,441,633</u>
28,675,209	563,718	214,389,793	9,783,003
-	-	610,294	-
<u>875,512</u>	<u>541,143</u>	<u>47,471,192</u>	<u>81,854,210</u>
<u>\$ 29,550,721</u>	<u>\$ 1,104,861</u>	<u>262,471,279</u>	<u>\$ 91,637,213</u>

Net assets of business-type activities 1,564,989
\$ 264,036,268

City of Pleasanton
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Fund	
			Facilities	Operations
OPERATING REVENUES:				
Charges for services	\$ 16,217,253	\$ 10,489,272	\$ -	\$ 4,374,085
Connection fees	60,560	29,269	-	-
Miscellaneous	28,362	7,492	417,307	-
Total operating revenues	16,306,175	10,526,033	417,307	4,374,085
OPERATING EXPENSES:				
Personnel services	2,737,370	1,230,297	-	1,589,100
Transportation	60,012	35,638	-	-
Repairs and maintenance	105,897	35,560	-	578,565
Materials, supplies, and services	16,121,789	8,248,102	175,027	1,236,218
Amortization	8,065	34,054	-	-
Depreciation	3,191,025	2,727,622	1,552,708	110,297
Total operating expenses	22,224,158	12,311,273	1,727,735	3,514,180
OPERATING INCOME (LOSS)	(5,917,983)	(1,785,240)	(1,310,428)	859,905
NONOPERATING REVENUES (EXPENSES):				
Interest income	632,992	405,324	99,869	-
Interest expense	(38,088)	(56,434)	-	(7,605)
Equity interest in loss from joint ventures	-	(1,627,941)	-	-
Gain (loss) from sale of capital assets	(6,568)	-	-	-
Total nonoperating revenues (expenses)	588,336	(1,279,051)	99,869	(7,605)
Net income (loss) before contributions and transfers	(5,329,647)	(3,064,291)	(1,210,559)	852,300
Capital contributions	2,789,572	4,183,951	-	-
Transfers in	57,236	26,965	1,095,000	-
Transfers out	-	-	(1,593,491)	(795,000)
Change in net assets	(2,482,839)	1,146,625	(1,709,050)	57,300
NET ASSETS:				
Beginning of year, as restated (Note 14)	103,216,683	88,047,289	43,533,520	6,169
End of year	\$ 100,733,844	\$ 89,193,914	\$ 41,824,470	\$ 63,469

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.

Business-Type Activities - Enterprise Funds			Governmental
	Other		Activities
	Non-major		Internal
Storm Drain	Enterprise	Total	Service
	Funds		Funds
\$ 504,621	\$ 218,162	\$ 31,803,393	\$ 35,176,886
-	-	89,829	-
145,402	479,717	1,078,280	252,421
<u>650,023</u>	<u>697,879</u>	<u>32,971,502</u>	<u>35,429,307</u>
471,811	691,805	6,720,383	32,014,219
2,693	57,451	155,794	-
9,226	84,061	813,309	-
522,690	159,853	26,463,679	5,758,352
-	-	42,119	-
1,021,857	144,839	8,748,348	1,469,969
<u>2,028,277</u>	<u>1,138,009</u>	<u>42,943,632</u>	<u>39,242,540</u>
<u>(1,378,254)</u>	<u>(440,130)</u>	<u>(9,972,130)</u>	<u>(3,813,233)</u>
30,198	8,567	1,176,950	3,337,759
-	(15,996)	(118,123)	-
-	-	(1,627,941)	-
-	-	(6,568)	(135,523)
<u>30,198</u>	<u>(7,429)</u>	<u>(575,682)</u>	<u>3,202,236</u>
(1,348,056)	(447,559)	(10,547,812)	(610,997)
3,939,783	295,776	11,209,082	-
310,561	619,181	2,108,943	-
<u>(160,530)</u>	<u>-</u>	<u>(2,549,021)</u>	<u>(1,392,775)</u>
2,741,758	467,398	221,192	(2,003,772)
<u>26,808,963</u>	<u>637,463</u>		<u>93,640,985</u>
<u>\$ 29,550,721</u>	<u>\$ 1,104,861</u>		<u>\$ 91,637,213</u>
		(124,748)	
Change in net assets of business-type activities		<u>\$ 96,444</u>	

City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Fund	
			Facilities	Operations
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customers	\$ 16,511,310	\$ 10,526,525	\$ 208,653	\$ 4,404,787
Cash payment to suppliers for goods and services	(18,028,954)	(8,829,013)	(227,442)	(1,819,484)
Cash payment to employees for services	(2,726,934)	(1,227,198)	-	(1,589,100)
Miscellaneous revenue	19,487	7,492	417,307	-
Net cash provided (used) by operating activities	(4,225,091)	477,806	398,518	996,203
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer in	57,236	26,965	1,095,000	-
Transfer out	-	-	(1,593,491)	(795,000)
Net cash provided (used) by noncapital financing activities	57,236	26,965	(498,491)	(795,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments on long-term debt	(670,000)	(595,000)	-	(147,373)
Interest payments	(38,088)	(56,434)	-	(7,605)
Capital asset acquisition	1,528,452	(1,027,171)	(175,522)	-
Proceeds from sale of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	820,364	(1,678,605)	(175,522)	(154,978)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	711,290	443,265	106,367	-
Net cash provided (used) by investing activities	711,290	443,265	106,367	-
Net increase (decrease) in cash and cash equivalents	(2,636,201)	(730,569)	(169,128)	46,225
CASH AND CASH EQUIVALENTS:				
Beginning of year	20,806,566	12,060,109	3,047,578	75,576
End of year	<u>\$ 18,170,365</u>	<u>\$ 11,329,540</u>	<u>\$ 2,878,450</u>	<u>\$ 121,801</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (5,917,983)	\$ (1,785,240)	\$ (1,310,428)	\$ 859,905
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	3,199,090	2,761,676	1,552,708	110,297
Decrease (increase) in:				
Accounts receivable	233,497	7,984	208,653	3,949
Inventory and prepaid items	-	-	-	(16,278)
Increase (decrease) in:				
Accounts payable	(1,741,256)	(509,713)	(52,415)	5,435
Accrued payroll	10,436	3,099	-	-
Due to other funds	-	-	-	-
Deferred revenue	(8,875)	-	-	6,142
Refundable deposits	-	-	-	26,753
Accrued benefits payable	-	-	-	-
Claims payable	-	-	-	-
Net cash provided (used) by operating activities	\$ (4,225,091)	\$ 477,806	\$ 398,518	\$ 996,203
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets contributed by developers	\$ 2,789,572	\$ 4,183,951	\$ -	\$ -
Total noncash capital and related financing activities	\$ 2,789,572	\$ 4,183,951	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

		Governmental Activities	
	Other Non-major Enterprise Funds	Total	Internal Service Funds
Storm			
\$ 503,589	\$ 201,617	\$ 32,356,481	\$ 35,187,567
(571,144)	(297,129)	(29,773,166)	(5,845,765)
(470,156)	(675,148)	(6,688,536)	(31,534,075)
145,402	508,940	1,098,628	252,421
<u>(392,309)</u>	<u>(261,720)</u>	<u>(3,006,593)</u>	<u>(1,939,852)</u>
310,561	619,181	2,108,943	-
<u>(160,530)</u>	<u>-</u>	<u>(2,549,021)</u>	<u>(1,392,775)</u>
150,031	619,181	(440,078)	(1,392,775)
-	(48,012)	(1,460,385)	-
-	(18,141)	(120,268)	-
19,471	(23,663)	321,567	(1,857,161)
<u>-</u>	<u>130</u>	<u>130</u>	<u>29,695</u>
19,471	(89,686)	(1,258,956)	(1,827,466)
34,206	8,060	1,303,188	3,551,675
<u>34,206</u>	<u>8,060</u>	<u>1,303,188</u>	<u>3,551,675</u>
(188,601)	275,835	(3,402,439)	(1,608,418)
1,094,175	344,575	37,428,579	91,125,591
<u>\$ 905,574</u>	<u>\$ 620,410</u>	<u>\$ 34,026,140</u>	<u>\$ 89,517,173</u>
\$ (1,378,254)	\$ (440,130)	\$ (9,972,130)	\$ (3,813,233)
1,021,857	144,839	8,790,467	1,469,969
(1,032)	(47,007)	406,044	10,681
-	-	(16,278)	-
(36,535)	4,236	(2,330,248)	(183,891)
1,655	16,657	31,847	(622)
-	29,223	29,223	-
-	30,511	27,778	-
-	(49)	26,704	-
-	-	-	480,766
<u>-</u>	<u>-</u>	<u>-</u>	<u>96,478</u>
<u>\$ (392,309)</u>	<u>\$ (261,720)</u>	<u>\$ (3,006,593)</u>	<u>\$ (1,939,852)</u>
\$ 3,939,783	\$ 295,776	\$ 11,209,082	\$ -
<u>\$ 3,939,783</u>	<u>\$ 295,776</u>	<u>\$ 11,209,082</u>	<u>\$ -</u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Fiduciary Funds
June 30, 2009

	Other Post-Employment Benefit Trusts	Private-Purpose Trust	Agency
ASSETS			
Cash and investments	\$ -	\$ 524,612	\$ 15,695,561
Receivables (net):			
Accounts	-	2,818	193,385
Interest	-	4,423	107,754
Restricted cash and investments	5,500,000	-	63
Notes receivable	-	-	87,105
Total assets	<u>5,500,000</u>	<u>531,853</u>	<u>\$ 16,083,868</u>
LIABILITIES			
Accounts payable	-	100	\$ 331,811
Due to bondholders	-	-	14,471,528
Deposits	-	-	1,280,529
Total liabilities	<u>-</u>	<u>100</u>	<u>\$ 16,083,868</u>
NET ASSETS			
Net assets	<u>\$ 5,500,000</u>	<u>\$ 531,753</u>	

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Changes in Fiduciary Net Assets
Trust Funds
For the Year Ended June 30, 2009

	Other Post-Employment Benefit Trusts	Private-Purpose Trust	Total
ADDITIONS:			
Investment income	\$ -	\$ 19,126	\$ 19,126
Contributions: Employer	5,500,000	-	5,500,000
Miscellaneous	-	1,125	1,125
Total additions	<u>5,500,000</u>	<u>20,251</u>	<u>5,520,251</u>
DEDUCTIONS:			
Operations services	-	14,781	14,781
Changes in net assets	5,500,000	5,470	5,505,470
NET ASSETS:			
Beginning of year	-	526,283	526,283
End of year	<u>\$ 5,500,000</u>	<u>\$ 531,753</u>	<u>\$ 6,031,753</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, 2009

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2009

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, golf and cemetery.

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

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. In accordance with Section 2.36 of the Municipal Code, the Pleasanton City Council serves as the Board of Directors for the Housing Authority of the City of Pleasanton.

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, 2009

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, 2009

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, community development, operations services 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, 2009

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. The facilities and operations are reported 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 Storm Drain Fund - accounts for the operation and maintenance of the City’s storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners since 1992-93 and the expenses relate to a federally mandated program to reduce pollutants to the bay.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City reports the following internal service funds:

The *Internal Service Funds* - account for the 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.

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, a private purpose trust fund and two other post-employment benefit trust funds (OPEB). Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The private purpose trust fund and the OPEB trust funds are 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 *Agency Funds* - account for assets held by the City as an agent for various local government agencies, insurance companies, developers and bond trustees.

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 *Other Post-employment Benefit Trust Funds* - account for the Miscellaneous Retiree Medical Trust and the Fire Retiree Medical Trust Funds. In compliance with GASB Statement No. 43, the City established these trusts for payment of retiree medical benefits.

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 and for payment of retiree medical benefits. 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.

F. Notes Receivable

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

G. 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000 and all streetlights and traffic signals are included. Donated capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

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

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.

I. 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, 2009 as a result of its sick leave policy. The City accrues accumulated unpaid compensated absences when earned by the employee.

J. 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. 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.

L. 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.

M. 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.”

N. 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.

O. Fund Balances – Reserves and Designations

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

P. Use of Estimates

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

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Implementation of New GASB Pronouncements

In 2009, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* - This Statement establishes uniform financial reporting standards for OPEB plans. The standards in this Statement apply for OPEB Trust Funds included in the financial reports of Plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them.
- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans* - This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of State and local governmental employers.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - This Statement establishes the incorporation of the hierarchy of Generally Accepted Accounting Principles (GAAP) for state and local governments which is currently set forth in the American Institute of Certified Public Accountants' (AICPA) into the Governmental Accounting Standards Board's (GASB) authoritative literature.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* - This Statement establishes the incorporation into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statement on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles - Related party transactions, going concern considerations, and subsequent events.

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent at June 30, 2009:

	Government-Wide		Fiduciary	Total
	Statement of Net Assets		Funds	
	Governmental	Business-Type	Statement of	
	Activities	Activities	Net Assets	
Cash and investments	\$ 194,297,751	\$ 33,415,846	\$ 16,220,173	\$ 243,933,770
Restricted cash and investments	404,188	610,294	5,500,063	6,514,545
Total	\$ 194,701,939	\$ 34,026,140	\$ 21,720,236	\$ 250,448,315

At June 30, 2009 the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value
	June 30, 2009
City Treasury:	
Deposits:	
Cash on hand	\$ 4,150
Deposits with banks	2,664,751
Certificates of deposits	364,115
Total deposits	<u>3,033,016</u>
Investments:	
U.S. government treasuries	82,783,061
U.S. government agencies	111,771,766
Money market	4,764,277
California Local Agency Investment Fund	41,581,649
Total investments	<u>240,900,753</u>
Total City Treasury	<u>243,933,769</u>
Cash with Fiscal Agent	<u>6,514,546</u>
Total City and fiscal agent cash and investments	<u>\$ 250,448,315</u>

A. Deposits

At June 30, 2009, the carrying amount of the City's cash deposits had a positive balance of \$2,664,751 and the bank balance was \$3,203,893. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$947,207 was covered by federal depository insurance, and \$2,256,686 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, 2009

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, 2009, was \$6,514,546 held by the trustees or fiscal agents. These funds may only be used for the payment of certain bonds and certificates of participation and retiree medical benefits 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, 2009 from the fiscal year ended June 30, 2008, amounted to an unrealized increase of \$1,609,992.

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, 2009, 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	\$ 82,783,061	\$ 65,257,643	\$ 17,525,418
U.S. Government agencies	111,771,766	66,957,598	44,814,168
California Local Agency Investment Fund	41,581,649	41,581,649	-
Money market	4,764,277	4,764,277	-
Total	\$ 240,900,753	\$ 178,561,167	\$ 62,339,586

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, 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 - Government Portfolio	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	\$ 31,785,652	13.19%
Federal Home Loan Bank	56,278,987	23.36%
Federal National Mortgage Association	15,492,622	6.43%
	<u>\$ 103,557,261</u>	<u>42.99%</u>
<u>Fidelity - Treasury Only Mutual Fund</u>	\$ 4,764,277	1.98%

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009 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 2009, the City had \$41,581,649 invested in LAIF, which had invested 13.23% of the pool investment funds in Structured Notes and Asset-Backed Securities. Fair value of LAIF was calculated by applying a factor of 1.001364207 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, 2009, the City held \$5,321,562 in callable securities, which amounted to less than 3% of investments at June 30, 2009.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. NOTES RECEIVABLE

The following table summarizes the notes receivable outstanding as of June 30, 2009:

	Government-Wide		
	Statement of Net Assets Governmental Activities	Fiduciary Funds Statement of Net Assets	Total
Housing Loans	\$ 6,427,149	\$ -	\$ 6,427,149
Sewer Loans	89,239	-	89,239
REACH Loan	195,000	-	195,000
City of Dublin Loan	-	87,105	87,105
Total	\$ 6,711,388	\$ 87,105	\$ 6,798,493

Housing Loans - As part of the City of Pleasanton Homeownership Assistance Program developed by the City to provide affordable housing opportunities for households of low and moderate income, loans are given to low and moderate income homebuyers for second mortgages. Monthly payments of principal and interest were waived for the first five years for most of the initial loans. For more recent loans provided under the City's Down Payment Assistance program, payments are partially deferred (e.g., half of the loan is deferred for ten years). 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, 2009 was \$6,427,149.

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, 2009 was \$89,239.

REACH Loan - In February 2009, the City entered into an agreement with REACH (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding through the City's federal HOME grant program to purchase a below-market priced home in Pleasanton for developmentally disabled adults who can live independently with supportive services. The loan does not include interest payments and no repayment of principal is due as long as REACH owns the property and continues to use it for the intended purpose. The outstanding amount as of June 30, 2009 was \$195,000.

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, 2009 was \$87,105.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds

The General Fund provides cash flow assistance to various grant funds and Enterprise Funds that have grant programs subsidized by the General Fund. As of June 30, 2009, balances of due to/from other funds were as follows:

Due to other funds	Due from other funds
	General Fund
Non-major Governmental Funds	\$ 983,351
Non-major Enterprise Funds	29,223
Total	\$ 1,012,574

Transfers In/Out

Transfers between funds are primarily used to provide funding for the Capital Improvement Program. The General Fund transferred \$5,000,000 to non-major governmental funds as its annual contribution to fund miscellaneous and park capital improvement projects. \$2,105,340 was transferred between non-major governmental funds also for various capital improvement projects. Transfers between funds also occur to cover debt service payments. Golf Operations transferred \$795,000 to Golf Facilities to cover a portion of the golf enterprise's \$1,593,491 transfer to a non-major governmental fund for debt service. \$956,686 was transferred between non-major governmental funds also for debt service. The General Fund also transferred \$1,029,181 to enterprise funds to support storm drain, transportation, golf facilities and cemetery operations. A surplus in the Employee Benefit Fund that had accumulated over the past few years was redistributed back to the contributing operating funds in proportion to their original contribution. This was done as part of the General Fund rebalancing actions that took place with the mid-term budget update.

Transfers in/out for the year ended June 30, 2009, were as follows:

		Transfers In								
		Major Fund								
		General Fund	Lower Income Housing Fund	Sewer Enterprise Fund	Water Enterprise Fund	Storm Drain Enterprise Fund	Golf Facilities Fund	Non-Major Governmental Funds	Non-Major Enterprise Funds	Total
Transfers Out	General Fund	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 5,000,000	\$ 429,181	\$ 6,029,181
	Non-major:									
	Governmental Funds	42968	36,879	-	-	-	-	3,062,026	190,000	3,331,873
	Internal Service	1,298,013	-	26,965	57,236	10,561	-	-	-	1,392,775
	Storm Enterprise	-	-	-	-	-	-	160,530	-	160,530
	Golf Fund:									
	Facilities	-	-	-	-	-	-	1,593,491	-	1,593,491
Operations	-	-	-	-	-	795,000	-	-	795,000	
Total	\$ 1,340,981	\$ 36,879	\$ 26,965	\$ 57,236	\$ 310,561	\$ 1,095,000	\$ 9,816,047	\$ 619,181	\$ 13,302,850	

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance 6/30/08	Additions	Retirements	Transfers	Balance 6/30/09
Governmental activities:					
Nondepreciable assets:					
Land	\$ 209,074,293	\$ 5,925,209	\$ -	\$ 69,676	\$ 215,069,178
Construction in progress	17,040,015	21,090,918	-	(12,740,707)	25,390,226
Total nondepreciable assets	<u>226,114,308</u>	<u>27,016,127</u>	<u>-</u>	<u>(12,671,031)</u>	<u>240,459,404</u>
Depreciable assets:					
Infrastructure	252,846,888	7,327,934	(1,942,610)	2,388,664	260,620,876
Accumulated depreciation	(126,311,465)	(7,635,801)	1,838,522	-	(132,108,744)
Buildings	58,206,065	-	-	2,022,047	60,228,112
Accumulated depreciation	(14,310,913)	(1,178,327)	-	-	(15,489,240)
Improvements other than buildings	37,127,045	-	-	7,543,368	44,670,413
Accumulated depreciation	(24,304,518)	(1,454,626)	-	-	(25,759,144)
Machinery and equipment	16,430,521	1,514,821	(56,349)	665,144	18,554,137
Accumulated depreciation	(11,896,342)	(1,033,870)	47,165	-	(12,883,047)
Vehicles	9,954,363	661,022	(649,838)	(366,483)	9,599,064
Accumulated depreciation	(7,232,178)	(694,336)	493,073	122,515	(7,310,926)
Net depreciable assets	<u>190,509,466</u>	<u>(2,493,183)</u>	<u>(270,037)</u>	<u>12,375,255</u>	<u>200,121,501</u>
Governmental activities capital assets, net	<u>\$ 416,623,774</u>	<u>\$ 24,522,944</u>	<u>\$ (270,037)</u>	<u>\$ (295,776)</u>	<u>\$ 440,580,905</u>
Business-type activities:					
Nondepreciable assets:					
Land	\$ 14,274,798	\$ -	\$ -	\$ -	\$ 14,274,798
Construction in progress	8,455,343	1,062,976	(2,475,436)	(4,991,543)	2,051,340
Total nondepreciable assets	<u>22,730,141</u>	<u>1,062,976</u>	<u>(2,475,436)</u>	<u>(4,991,543)</u>	<u>16,326,138</u>
Depreciable assets:					
Infrastructure	244,232,459	11,805,016	(36,770)	208,130	256,208,835
Accumulated depreciation	(106,611,073)	(5,953,282)	30,203	327,592	(112,206,560)
Buildings	33,088,697	192,871	-	452,231	33,733,799
Accumulated depreciation	(10,162,400)	(711,650)	-	(327,592)	(11,201,642)
Improvements other than buildings	30,245,370	-	-	1,217,770	31,463,140
Accumulated depreciation	(4,501,584)	(1,559,982)	-	-	(6,061,566)
Machinery and equipment	9,352,955	6,297	(21,989)	3,146,634	12,483,898
Accumulated depreciation	(3,359,848)	(469,840)	21,865	-	(3,807,823)
Vehicles	225,808	-	-	385,069	610,877
Accumulated depreciation	(217,929)	(53,595)	-	(122,515)	(394,039)
Net depreciable assets	<u>192,292,455</u>	<u>3,255,835</u>	<u>(6,691)</u>	<u>5,287,319</u>	<u>200,828,918</u>
Business-type activities capital assets, net	<u>\$ 215,022,596</u>	<u>\$ 4,318,811</u>	<u>\$ (2,482,127)</u>	<u>\$ 295,776</u>	<u>\$ 217,155,056</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. CAPITAL ASSETS, Continued

A. Depreciation

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 158,784
Public safety	1,009,182
Community development	4,354
Operations services	8,533,285
Community activities	2,291,355
Total depreciation expense - governmental functions	\$ 11,996,960

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

Water	\$ 3,191,025
Sewer	2,727,622
Golf	1,663,005
Transit	57,741
Storm Drain	1,021,857
Housing Authority	87,098
Total depreciation expense - business-type functions	\$ 8,748,348

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	Balance			Amounts		
	July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
2003 Certificates of Participation	\$ 25,225,000	\$ -	\$ (935,000)	\$ 24,290,000	\$ 965,000	\$ 23,325,000
2004 Refunding Lease Certificates of Participation	2,605,000	-	(490,000)	2,115,000	330,000	1,785,000
CALHFA Help Loan	1,500,000	-	-	1,500,000	-	1,500,000
State CALHFA Help Program note payable	322,487	20,000	-	342,487	-	342,487
Note payable, County of Alameda	-	5,500,000	(2,100,000)	3,400,000	530,000	2,870,000
Claims payable (Note 7)	2,122,896	1,403,999	(1,307,521)	2,219,374	1,307,521	911,853
Compensated absences (Note 8)	4,892,287	3,764,646	(3,283,881)	5,373,052	667,966	4,705,086
Total governmental activities	\$ 36,667,670	\$ 10,688,645	\$ (8,116,402)	\$ 39,239,913	\$ 3,800,487	\$ 35,439,426
Business-type Activities:						
Note payable, Federal Financing Bank	\$ 274,117	\$ -	\$ (48,012)	\$ 226,105	\$ 51,230	\$ 174,875
Golf Course Capital Lease	296,531	-	(147,373)	149,158	149,158	-
2002 Sewer Revenue Refunding Bonds	820,000	-	(400,000)	420,000	420,000	-
2004 Water Revenue Refunding Bonds	1,645,000	-	(670,000)	975,000	150,000	825,000
2004 Sewer Revenue Refunding Bonds	1,190,000	-	(195,000)	995,000	155,000	840,000
Total business-type activities	\$ 4,225,648	\$ -	\$ (1,460,385)	\$ 2,765,263	\$ 925,388	\$ 1,839,875

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

Long-term debt at June 30, 2009, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2009
Governmental Activities:					
2003 Certificates of Participation	2032	3 - 4.75%	\$265 - \$1,530	\$ 28,425,000	\$ 24,290,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$330 - \$490	4,040,000	2,115,000
CALHFA Help Loan	2015	3.0%	-	1,500,000	1,500,000
State CALHFA Help Program note payable	2015	3.0%	\$6 - \$8	342,487	342,487
Total governmental activities					\$ 28,247,487
Business-type Activities:					
Note payable, Federal Financing Bank	2012	6.6%	\$66 - \$66	882,636	\$ 226,105
Golf Course Capital Leases	2010	3.39 - 24.6%	\$136 - \$151	697,845	149,158
2002 Sewer Revenue Refunding Bonds	2009	2 - 3.75%	\$260 - \$420	2,820,000	420,000
2004 Water Revenue Refunding Bonds	2014	2 - 3.5%	\$150 - \$670	3,595,000	975,000
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$155 - \$195	1,760,000	995,000
Total business-type activities					\$ 2,765,263

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, 2009

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, 2009, \$342,487 in second mortgages was outstanding.

Note Payable, County of Alameda

On July 8, 2008, the City signed a Purchase Agreement with the County of Alameda for the acquisition of approximately ten gross acres of vacant property, known as the Alameda County Transportation Corridor, located between Bernal Avenue and Stanley Boulevard and roughly parallel to First Street in the Downtown area. For purposes of the Purchase Agreement, the property is divided into two sections, the Southern Property and the Northern Property. The purchase prices of the Southern and Northern Properties are \$5,500,000 and \$2,000,000, respectively. The City paid the County \$2,100,000 for the Southern Property at the close of escrow in July 2008 with the balance of \$3,400,000 to be paid to the County in seven, roughly equal, installments, of which the first two installments are interest free. The first installment was paid in August 2009 and the second installment will be paid in August 2010. The remaining five installments shall bear interest at the Local Agency Investment Fund (LAIF) rate prevailing on the payment date. The purchase of the entire Northern Property is contingent upon the remedial cleanup action of a recognized environmental condition on the property, as discussed in Note 13. Regardless of the cleanup of a portion of the Northern Property, the City is obligated to purchase the remainder of the Northern Property or it will forfeit \$1,000,000 that it has placed in escrow.

Note Payable, Federal Financing Bank

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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

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.

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, 2009, the ratio of Net Sewer Revenues to the debt service payments due during Fiscal Year 2009 was 2.06 (206.0%).

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

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, 2009, the ratio of Net Water Revenues to the debt service payments due during Fiscal Year 2009 was 1.38 (138.0%).

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2009:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
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	675,000	914,961	370,000	18,933
2015 - 2019	3,785,000	4,149,123	380,000	6,460
2020 - 2024	4,660,000	3,249,024	-	-
2025 - 2029	5,815,000	2,060,964	-	-
2030 - 2033	5,715,000	558,719	-	-
Total	\$ 24,290,000	\$ 14,875,515	\$ 2,115,000	\$ 207,714

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. LONG-TERM LIABILITIES, Continued

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2009:

Alameda County Transportation Corridor
Purchase Agreement

Year Ending June 30,	Principal	Coupon	*Estimated Interest	Total Payment	Balance
2010	\$ 530,000	-	\$ -	\$ 530,000	\$ 2,870,000
2011	530,000	-	-	530,000	2,340,000
2012	468,000	1.38%	32,222	500,222	1,872,000
2013	468,000	1.38%	25,777	493,777	1,404,000
2014	468,000	1.38%	19,333	487,333	936,000
2015	468,000	1.38%	12,889	480,889	468,000
2016	468,000	1.38%	6,444	474,444	-
Total	\$ 3,400,000		\$ 96,665	\$ 3,496,665	\$ 9,890,000

* Interest shall accrue commencing two years following the closing date (July 30, 2008)
at the LAIF rate prevailing on the payment date.

The June 30, 2009 LAIF rate was used for purposes of this schedule.

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2009:

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
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	-	-	-	-	170,000	8,994	175,000	9,253
2015	-	-	-	-	175,000	3,063	180,000	3,150
Total	\$ 226,105	\$ 38,509	\$ 420,000	\$ 7,875	\$ 975,000	\$ 98,778	\$ 995,000	\$ 100,950

Year Ending June 30,	Golf Course Capital Leases	
	Principal	Interest
2010	\$ 149,158	\$ 3,177
Total	\$ 149,158	\$ 3,177

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009
Pleasanton Joint Powers Financing Authority Local Obligation Bonds:	
2004 Series A Reassessment Revenue Bonds	\$ 100,000
2004 Series B Reassessment Revenue Bonds	26,500,000
Total	\$ 26,600,000

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, 2009, the City's debt limit and legal debt margin (15% of 25% of valuation subject to taxation) was \$651,483,167.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009.

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 Authority (CARMA). Similarly, employment practices liability claims between \$75,000 and \$1,000,000 are covered through the Employment Risk Management Authority (ERMA) and claims between \$1,000,000 and \$2,000,000 through 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/omissions)	\$ 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

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, 2009

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 \$6,282,811 and \$8,723,608 at June 30, 2009 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$1,825,923 and \$393,451 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in the funds as claims payable at June 30, 2009. 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,	
	2009	2008
Unpaid claims, beginning of year	\$ 2,122,896	\$ 2,447,712
Incurred claims and changes in estimates	1,403,999	745,654
Claim payments	<u>(1,307,521)</u>	<u>(1,070,470)</u>
Unpaid claims, end of year	<u>\$ 2,219,374</u>	<u>\$ 2,122,896</u>

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 \$5,373,052. 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, 2009

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

Bay Cities Joint Powers Insurance Authority (Bay Cities)

The Bay Cities Joint Powers Insurance Authority (Bay Cities) was created in 1986 to provide an independently managed, self insurance program for its members. Members of Bay Cities currently are the cities of Albany, Berkeley, Emeryville, Monte Sereno, Piedmont, Redwood City, Union City, Menlo Park, Brisbane, Pleasanton, Sausalito, Mill Valley, Fairfax, San Anselmo, Larkspur, and Novato, and the San Francisco Redevelopment Agency. The City's proportionate share of Bay Cities net assets depends on a number of factors as there are inflows into the City's account with Bay Cities based on premium deposits and interest earned and there are outflows for expenditures for matters such as administration, claims handling, incurred losses and a reserve for IBNR. Accordingly, it is difficult to ascertain what the City's proportionate share is at any given time. Nevertheless, if there is excess equity in the City's account for a program year that is five years old and for which there are no longer any outstanding claims for that program year, the Bay Cities Board of Directors may declare a dividend and distribute such dividend to the member entities based on what is in each member's equity account. Financial statements for Bay Cities may be obtained from Bay Cities at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

Livermore-Amador Valley Waste Management Agency (LAVWMA)

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates an expansion of the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, City of Livermore and City of Pleasanton. Sewer bonds are being repaid with user charges assessed to member agencies. The City's equity interest in the Agency was \$14,638,639 as of June 30, 2009. Financial statements for the LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

East Bay Regional Communications System Authority (EBRCSA)

In 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. There are currently 35 member agencies. 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, 2009

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	\$ 1,756,537	\$ -	\$ -	\$ -
Debt Service	-	-	-	404,188
Total reserved	<u>1,756,537</u>	<u>-</u>	<u>-</u>	<u>404,188</u>
Unreserved, designated:				
Economic uncertainty	8,990,000	-	-	-
Carryovers	1,804,199	-	-	-
Golf Debt Service	2,000,000	-	-	-
Capital projects	-	-	-	57,965,409
Special purposes	-	15,595,159	121,617	7,037,794
Temporary recession	10,900,000	-	-	-
Total unreserved, designated	<u>23,694,199</u>	<u>15,595,159</u>	<u>121,617</u>	<u>65,003,203</u>
Total Fund Equity	<u>\$ 25,450,736</u>	<u>\$ 15,595,159</u>	<u>\$ 121,617</u>	<u>\$ 65,407,391</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 \$4,290,358 for the year ended June 30, 2009. The City's employer required contributions rate for Safety Fire employees was 25.042%, for Safety Police employees was 27.865%, and for Miscellaneous employees was 16.660% for the fiscal year.

Funding Status - As of June 30, 2008, the most recent actuarial date, the City's miscellaneous and fire safety plans had \$109,842,486 and \$104,870,711 in plan net assets and \$142,269,005 and \$131,945,472 in accrued liability, which resulted in unfunded liability of \$32,426,519 and \$27,074,761, respectively.

Annual Pension Cost - For 2008-2009, the City's annual pension cost of \$10,543,150 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006 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 and safety police employees and 3.25% to 13.15% for safety fire 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, 2006 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, 2009

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	
	6/30/2007	\$ 4,022,664	
6/30/2008	4,220,587	100%	-
6/30/2009	4,474,726	100%	-

Fiscal Year Ending	Fire Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2007	\$ 2,973,778	
6/30/2008	3,251,237	100%	-
6/30/2009	3,476,142	100%	-

B. Pension Plan Schedule of Funding Progress

	Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
Miscellaneous	6/30/2008	\$ 109,842,486	\$ 142,269,005	\$ 32,426,519	77.2%	\$ 25,916,037	125.1%
Fire	6/30/2008	104,870,711	131,945,472	27,074,761	79.5%	13,143,252	206.0%

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 and benefit varies based upon the employee's classification and related memorandum of understanding (MOU).

- If retiring for service, the City shall pay for each year of service, four percent (4%) of the Kaiser Early Retiree Health Plan coverage for PCEA (Pleasanton City Employees' Association), POA (Police Officers' Association) who retire prior to 7/1/09, IAFF (International Association of Firefighters) who retire prior to 1/1/08, and Management and Confidential who retire prior to 7/1/09. Management and Confidential employees have an option to use a second alternative, based on years of CalPERS service, as agreed to in its MOU.
- For IAFF who retire after 1/1/08, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate.
- For POA who were hired prior to 7/1/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate if employment is less than 20 years. If employed for 20 years+, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate.
- For employees classified as Management and Confidential who were hired prior to 1/1/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 1/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.

Surviving spouses are eligible for one-half of the retiree benefit for those retirees eligible for the 2-party benefit. If a spouse remarries the benefit terminates.

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

The City allows retirees to participate in the same medical plan as active employees at the same premium rates. Because the rate is a "blended rate", payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were in a stand alone health plan. GASB 45 requires that this implied subsidy be reclassified when reporting the contributions to retiree medical costs.

As of June 30, 2008 (valuation date), plan membership consisted of 514 (388 Non-Fire, 110 Fire Safety, 12 Fire Management, and 4 Fire Miscellaneous) active participants and 239 (186 Non-Fire, 42 Fire Safety, 9 Fire Management, and 2 Fire Miscellaneous) retirees.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

B. Funding Policy

The City pre-funds the Plan through the City of Pleasanton OPEB Trust (OPEB Trust). For the fiscal year 2008-2009, the City contributed \$7,707,000 (\$5,214,000 for Non-Fire and \$2,493,000 for Fire), including \$1,700,000 (\$1,240,000 for Non-Fire and \$460,000 for Fire) in cash benefit payments, \$507,000 (\$374,000 for Non-Fire and \$133,000 for Fire) in implied subsidy benefit payments and \$5,500,000 (\$3,600,000 for Non-Fire and \$1,900,000 for Fire) deposited to the OPEB Trust. The City's ARC was \$7,744,000 (\$5,196,000 for Non-Fire and \$2,548,000 for Fire) for the fiscal year 2008-2009. The following table summarizes the City's 2008-2009 fiscal year contribution:

	<u>Non-Fire</u>	<u>Fire</u>	<u>Total</u>
Cash Subsidy	\$1,240,000	\$460,000	\$1,700,000
Implied Subsidy	374,000	133,000	507,000
Deposit to the OPEB Trust	3,600,000	1,900,000	5,500,000
Total	<u>\$5,214,000</u>	<u>\$2,493,000</u>	<u>\$7,707,000</u>

The OPEB Trust is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. Due to the current instability of financial markets, the City adopted the interim funding strategy for the OPEB Trust where the funds are invested in low risk fixed income investments managed by in-house staff for an interim period not to exceed 2 years.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table, based on the City's actuarial valuation as of June 30, 2006, shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	<u>Non-Fire</u>	<u>Fire</u>	<u>Total</u>
Annual required contribution	\$ 5,196,000	\$ 2,548,000	\$ 7,744,000
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost (expense)	<u>5,196,000</u>	<u>2,548,000</u>	<u>7,744,000</u>
Contributions to irrevocable trust	3,600,000	1,900,000	5,500,000
Benefit payments	<u>1,614,000</u>	<u>593,000</u>	<u>2,207,000</u>
Increase in net OPEB obligation	\$ (18,000)	55,000	\$ 37,000
Net OPEB obligation - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB obligation - end of year	<u>-</u>	<u>-</u>	<u>-</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Annual OPEB Cost and Net OPEB Obligation, Continued

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2006-2007 through 2008-2009 are as follows:

Non-Fire			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	n/a	n/a	n/a
June 30, 2008	n/a	n/a	n/a
June 30, 2009	\$5,196,000	100.3%	\$0

Fire			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	n/a	n/a	n/a
June 30, 2008	n/a	n/a	n/a
June 30, 2009	\$2,548,000	97.8%	\$0

Funded Status and Funding Progress. The June 30, 2006 valuation was used for the 2008-2009 ARC. The most recent, June 30, 2008, actuarial valuation will be used for the 2009-2010 ARC. The funded status of the plan as of June 30, 2008 was:

	Non-Fire	Fire	Total
Actuarial accrued liability (AAL)	\$54,965,000	\$23,887,000	\$78,852,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$54,965,000	\$23,887,000	\$78,852,000
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%
Projected covered payroll (active Plan members)	\$34,751,000	\$14,506,000	\$49,256,000
UAAL as a percentage of covered payroll	158.2%	164.7%	160.1%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Annual OPEB Cost and Net OPEB Obligation, Continued

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 the employer and plan members to that point. The actuarial methods and assumptions used are consistent with the long-term perspective of the calculations.

For the June 30, 2006 and June 30, 2008 actuarial valuations, the entry age normal actuarial cost method was used. The actuarial assumptions included (a) the discount rate is a select and ultimate assumption: 4% for 2 years and 7.75% thereafter; (b) 3.25% annual aggregate payroll increase rate and (c) projected healthcare cost increases of 10.4% (HMO) and 11.3% (PPO) for 2008¹ decreasing to 4.5% (HMO) and 5.0% (PPO) after 9 years. Both (a) and (b) include an inflation component of 3.0%.

The unfunded actuarial accrued liability (or excess assets) is being amortized over a fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2008.

D. OPEB Reserves

The City's has accumulated reserves in two Internal Service Funds; 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. The schedule also shows the City's Annual Required Contribution (ARC) to the OPEB trust.

	Retiree Medical Reserve Funds		
	Retirees Insurance Reserve		
	LPFD Reserve	Total	
	<u> </u>	<u> </u>	<u> </u>
June 30, 2008 Balance	\$ 30,580,640	\$ 12,581,474	\$ 43,162,114
2008-09 Contributions	4,630,320	700,000	5,330,320
2008-09 Interest Income	1,208,203	457,581	1,665,784
2008-09 OPEB ARC	(3,600,000)	(1,900,000)	(5,500,000)
*Pay-as-you-go benefits	(1,290,233)	(478,792)	(1,769,025)
June 30, 2009 Balance	<u>\$ 31,528,930</u>	<u>\$ 11,360,263</u>	<u>\$ 42,889,193</u>

*includes \$59,234 in professional services for legal and actuarial services but does not include an implicit rate subsidy of \$507,000.

¹ Actual 2008 premium rates were used in the June 30, 2008 valuation.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 \$58,990 during the year representing its share of the fiscal year 2009 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. The station, initially scheduled to open in 2009, has been tentatively rescheduled to open sometime in late 2010 or early 2011. This delay is due to the discovery of defective steel weldings in the pedestrian walkways that will be crossing over I-580. The construction of a 350-unit apartment complex originally proposed on a portion of the BART property is now on hold by the developer until market conditions improve.

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, with one exception, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's risk sharing programs are sufficient to cover any potential losses should an unfavorable outcome materialize, with one exception.

D. *Pleasanton Unified School District Line of Credit*

On May 18, 2009, the City signed a Revolving Line of Credit Agreement (Agreement) approving a line of credit to the Pleasanton Unified School District (PUSD). The draws on the revolving line of credit (advances) are to be used to pay the annual lease payments on the District's outstanding \$20,000,000 in Certificates of Participation. The line of credit is not to exceed \$1,200,000 at any one time and would be repaid over a four year period; however, the Agreement extends the credit over a period of ten years in order to fully recover the advances. Interest on the advances will commence on the date of the advance and the interest will be equal to the Bank of America prime rate (currently at 3.25%) and will be calculated based on simple interest. The revolving line of credit is secured by a Promissory Note between the City of Pleasanton and PUSD. As of June 30, 2009, PUSD had not yet drawn down on the line of credit.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. COMMITMENTS AND CONTINGENCIES, Continued

E. Purchase of the Alameda County Transportation Corridor

On July 8, 2008, the City signed a Purchase Agreement with the County of Alameda for the acquisition of approximately ten gross acres of vacant property, known as the Alameda County Transportation Corridor, between Bernal Avenue and Stanley Boulevard, and roughly parallel to First Street in the Downtown area. For purposes of the Agreement, the property is divided into two sections, the Southern Property and the Northern Property. The purchase price includes \$5,500,000 for the Southern Property and \$2,000,000 for the Northern Property. The purchase of the entire Northern Property is contingent upon the receipt of Remedial Action Completion Certification Letters from Alameda County Health Care Services concerning the cleanup of the contamination on the property. If the Certification Letters are not issued, the City is not obligated to purchase all of the Northern Property but would be obligated to purchase uncontaminated portions of the Northern Property or else it would forfeit a portion of the \$1,000,000 that the City has placed into escrow. If however, the Certification Letters are issued and the City decides not to purchase all of the Northern Property, the City will forfeit all of the \$1,000,000 deposit paid into an escrow account to guarantee the purchase of the Northern Property.

F. 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 36%.

G. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2009. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amounts
Firehouse Arts Center	\$ 5,536,180
Bernal Community Park Phase II	640,249
Bernal Community Park Phase I	622,052
Bernal Avenue Bridge and Street Widening	518,867
I-580 Fallon Road and El Charro Interchange	490,000
Marilyn Murphy Kane Trail	337,280
Annual Sanitary Sewer Replacement	257,465
Annual Sidewalk, Curb and Gutter Replacement	240,976
Traffic Signal Installation at Stoneridge Mall Rd. and Embarcadero Court	160,605
Vineyard Corridor Water Booster Pump Station and Turnout Improvements	147,595
Wastewater Pumping Station #6 Replacement	145,366
Total	<u>\$ 9,096,635</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

14. PRIOR PERIOD ADJUSTMENTS

A. Government-Wide Financial Statements

During fiscal year 2009, the City recorded the following prior period adjustments to reflect a change in estimate of our capitalization threshold. In addition, the City reclassified capital assets from Governmental activities to Business-type activities.

	Net Assets as Previously Reported	Capital Assets Deletions	Capital Assets Reclassified	Net Assets as Restated
Government-Wide Activities:				
Governmental Activities	\$ 597,397,351	\$ (271,530)	\$ (7,872)	\$ 597,117,949
Business-type Activities	264,065,928	(133,976)	7,872	263,939,824
Total	\$ 861,463,279	\$ (405,506)	\$ -	\$ 861,057,773

B. Fund Financial Statements

During fiscal year 2009, the City recorded prior period adjustments in its Internal Services Funds and Water, Sewer, and Storm Drain Enterprise Funds to reflect a change in estimate of our capitalization threshold. In addition, the City reclassified capital assets from Governmental activities to Business-type activities.

	Fund Balance as Previously Reported	Capital Assets Deletions	Capital Assets Reclassified	Fund Balance as Restated
Internal Service Funds	\$ 93,694,695	\$ (53,710)	\$ -	\$ 93,640,985
Enterprise funds:				
Water Fund	103,286,960	(70,277)	-	103,216,683
Sewer Fund	88,096,117	(48,828)	-	88,047,289
Storm Drain Fund	26,823,834	(14,871)	-	26,808,963
Transit Fund	682	-	7,872	8,554
Total	\$ 311,902,288	\$ (187,686)	\$ 7,872	\$ 311,722,474

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

15. SUBSEQUENT EVENTS

State of California Financial Crisis

As part of the State of California actions in adopting the FY 2009-10 budget, the legislature authorized an emergency suspension of the provisions of Proposition 1A enacted by voters in 2004 which amended the California Constitution to provide for protection of local revenues. The provisions of Proposition 1A allowed the State to borrow up to 8% of local property tax revenues twice within a 10 year period provided the first borrowing was to be repaid within 3 years and the second borrowing could not occur until the first borrowing was repaid. The amount of property tax for the City of Pleasanton for 2009-10 that was subject to the Proposition 1A suspension was \$4,416,360. As part of these budget actions, the legislature also adopted ABX4 14, ABX4 15, and SB67, the Proposition 1A Securitization Program, which authorized the California Communities Statewide Development Authority (CSCDA) to simultaneously purchase Proposition 1A receivables, issue bonds, and provide each local agency with cash proceeds in two equal installments to coincide with the dates of the State borrowing of property tax revenue. On October 20, 2009, the City of Pleasanton adopted Resolution #09321 authorizing participation in the CSCDA Proposition 1A Securitization Program. A total of 1,269 local agencies participated in this program. The par amount of bonds sold statewide was \$1,895,000,000.

To aid the State with cash flow issues, payments to the City for the state subventions for gasoline excise tax and gasoline sales tax are being delayed during 2009-10. July, August and September payments for gasoline excise tax were delayed until October and monthly payments from November to March will be delayed until April. Quarterly payments to the City for Proposition 42 sales tax on gasoline for October and January will be delayed until May. The City will use capital project reserves for projects programmed to utilize these funds during the 2009-10 fiscal year and the repayments are not expected to lapse beyond the June 30, 2010 end of the fiscal year.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2009

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, 2009

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	\$ 79,025,597	\$ 74,540,762	\$ 74,321,964	\$ (218,798)
Licenses	11,296	11,296	11,536	240
Permits	1,641,500	1,153,500	974,211	(179,289)
Fines and forfeitures	526,325	526,325	471,606	(54,719)
Use of money and property	1,032,992	1,032,992	852,418	(180,574)
Intergovernmental	1,219,718	951,302	985,029	33,727
Franchises	1,854,468	1,797,085	1,829,153	32,068
Charges for services	1,185,481	1,085,481	1,112,166	26,685
Development fees	161,197	119,697	141,611	21,914
Plan check fees	1,016,848	618,096	483,500	(134,596)
Reimbursements	707,196	730,196	1,738,840	1,008,644
Contribution and donations	9,000	13,050	10,366	(2,684)
Other revenues	3,495,444	3,632,227	3,292,968	(339,259)
Recreation charges	3,941,422	3,866,816	3,708,827	(157,989)
Total revenues	95,828,484	90,078,825	89,934,195	(144,630)
EXPENDITURES:				
Current:				
General government	13,330,999	12,682,406	12,127,645	554,761
Public safety	38,006,539	37,227,724	36,309,043	918,681
Community development	12,339,456	12,095,453	10,923,349	1,172,104
Operations services	8,485,680	8,001,754	7,833,527	168,227
Community activities	20,162,173	17,833,809	17,310,675	523,134
Capital outlay	435,050	878,184	741,466	136,718
Total expenditures	92,759,897	88,719,330	85,245,705	3,473,625
REVENUES OVER (UNDER) EXPENDITURES	3,068,587	1,359,495	4,688,490	3,328,995
OTHER FINANCING SOURCES (USES):				
Transfers in	1,331,613	1,340,981	1,340,981	-
Transfers out	(8,630,200)	(6,020,852)	(6,029,181)	(8,329)
Total other financing sources	(7,298,587)	(4,679,871)	(4,688,200)	(8,329)
Net change in fund balances	\$ (4,230,000)	\$ (3,320,376)	290	\$ 3,320,666
FUND BALANCES:				
Beginning of year			25,450,446	
End of year			\$ 25,450,736	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2009

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	\$ 601,000	\$ 708,600	\$ 819,220	\$ 110,620
Development fees	841,117	321,179	247,921	(73,258)
Reimbursements	-	135,610	218,781	83,171
Total revenues	1,442,117	1,165,389	1,285,922	120,533
EXPENDITURES:				
Current:				
Planning and community development	717,573	996,359	439,972	556,387
Total expenditures	717,573	996,359	439,972	556,387
REVENUES OVER (UNDER) EXPENDITURES	724,544	169,030	845,950	676,920
OTHER FINANCING SOURCES (USES):				
Proceeds from notes payable	-	22,514	20,000	(2,514)
Transfers in	-	37,106	36,879	(227)
Total other financing sources (uses)	-	59,620	56,879	(2,741)
Net change in fund balances	\$ 724,544	\$ 228,650	902,829	\$ 674,179
FUND BALANCES:				
Beginning of year			14,692,330	
End of year			\$ 15,595,159	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2009

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	\$ 20,000	\$ 20,000	\$ 23,779	\$ 3,779
Intergovernmental	125,000	826,457	797,018	(29,439)
Charges for services	13,756,273	13,255,025	13,268,911	13,886
Reimbursements	10,000	89,322	45,092	(44,230)
Contribution and donations	-	2,000	1,000	(1,000)
Other revenues	11,186	11,186	-	(11,186)
Total revenues	<u>13,922,459</u>	<u>14,203,990</u>	<u>14,135,800</u>	<u>(68,190)</u>
EXPENDITURES:				
Current:				
Public safety	13,903,959	14,103,043	14,027,822	75,221
Capital outlay	18,500	407,714	306,832	100,882
Total expenditures	<u>13,922,459</u>	<u>14,510,757</u>	<u>14,334,654</u>	<u>176,103</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(306,767)</u>	<u>(198,854)</u>	<u>107,913</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (306,767)</u>	<u>(198,854)</u>	<u>\$ 107,913</u>
FUND BALANCES:				
Beginning of year			<u>320,471</u>	
End of year			<u>\$ 121,617</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2009

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	Unfunded Actuarial Liability as Percentage of Covered Payroll
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%
6/30/2008	104,870,711	131,945,472	27,074,761	79.5%	13,143,252	206.0%

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	Unfunded Actuarial Liability as Percentage of Covered Payroll
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%
6/30/2008	109,842,486	142,269,005	32,426,519	77.2%	25,916,037	125.1%

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2009

2. PENSION PLAN SCHEDULE OF FUNDING PROGRESS, Continued

Schedule of Funding Progress
Other Postemployment Benefits

Non-Fire						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/06	\$0	\$49,757,000	\$49,757,000	0%	\$30,429,000	163.4%
6/30/07 ²	0	53,990,000	53,990,000	0%	34,034,000	158.6%
6/30/08	0	54,965,000	54,965,000	0%	34,751,000	158.2%

Fire						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/06	\$0	\$25,784,000	\$25,784,000	0%	\$11,611,000	222.1%
6/30/07 ³	0	27,873,000	27,873,000	0%	12,978,000	214.8%
6/30/08	0	23,887,000	23,887,000	0%	14,506,000	164.7%

² The 6/30/07 results were based on an actuarial roll-forward of the 6/30/06 valuation results.

³ The 6/30/07 results were based on an actuarial roll-forward of the 6/30/06 valuation results.

SUPPLEMENTARY INFORMATION

City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 7,043,147	\$ -	\$ 57,997,491	\$ 65,040,638
Receivables:				
Accounts	491,471	-	209,649	701,120
Grants	1,089,582	-	-	1,089,582
Interest	60,756	-	448,637	509,393
Deposits	-	-	1,000,000	1,000,000
Restricted cash and investments	-	404,188	-	404,188
Notes receivable	195,000	-	-	195,000
Total assets	\$ 8,879,956	\$ 404,188	\$ 59,655,777	\$ 68,939,921
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 648,068	\$ -	\$ 1,433,625	\$ 2,081,693
Due to other funds	983,351	-	-	983,351
Deposits	-	-	256,743	256,743
Deferred revenue	210,743	-	-	210,743
Total liabilities	1,842,162	-	1,690,368	3,532,530
Fund Balances:				
Reserved	-	404,188	-	404,188
Unreserved designated for:				
Capital projects	-	-	57,965,409	57,965,409
Specific purposes	7,037,794	-	-	7,037,794
Total fund balances	7,037,794	404,188	57,965,409	65,407,391
Total liabilities and fund balances	\$ 8,879,956	\$ 404,188	\$ 59,655,777	\$ 68,939,921

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Special assessments	\$ 194,311	\$ -	\$ -	\$ 194,311
Use of money and property	264,281	2,332	1,878,188	2,144,801
Intergovernmental	3,758,329	-	45,000	3,803,329
Charges for service	28,698	-	-	28,698
Development fees	-	-	4,357,504	4,357,504
Reimbursements	101,974	-	38,088	140,062
Contributions and donations	612,715	-	521,800	1,134,515
Other revenues	414,124	-	-	414,124
Total revenues	5,374,432	2,332	6,840,580	12,217,344
EXPENDITURES:				
Current:				
Public safety	17,603	-	-	17,603
Community development	1,090,238	-	-	1,090,238
Operations services	142,723	-	30,349	173,072
Community activities	251,249	-	59,920	311,169
Capital outlay	5,748,288	-	23,679,731	29,428,019
Debt service:				
Principal	-	1,425,000	-	1,425,000
Interest and fiscal charges	-	1,129,603	-	1,129,603
Total expenditures	7,250,101	2,554,603	23,770,000	33,574,704
REVENUES OVER (UNDER) EXPENDITURES	(1,875,669)	(2,552,271)	(16,929,420)	(21,357,360)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,550,177	7,265,870	9,816,047
Transfers out	(79,847)	-	(3,252,026)	(3,331,873)
Total other financing sources (uses)	(79,847)	2,550,177	4,013,844	6,484,174
Net change in fund balances	(1,955,516)	(2,094)	(12,915,576)	(14,873,186)
FUND BALANCES:				
Beginning of year	8,993,310	406,282	70,880,985	80,280,577
End of year	\$ 7,037,794	\$ 404,188	\$ 57,965,409	\$ 65,407,391

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NON-MAJOR SPECIAL REVENUE FUNDS

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

D.A.R.E Trust

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

Asset Forfeiture

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

Central Business District Parking (CBD) In-Lieu

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

Resource Management

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

Miscellaneous Donations

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

Landscape and Lighting Districts

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

Geologic Hazard Assessment Districts (GHADs)

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

Measure B Street Repair

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

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, 2009

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
ASSETS						
Cash and investments	\$ 24,876	\$ 69,174	\$ 49,509	\$ 255,029	\$ 566,577	\$ 356,422
Receivables:						
Accounts	-	-	-	57,694	-	451
Grants	-	-	-	-	-	-
Interest	208	639	412	3,011	4,715	2,946
Notes receivable	-	-	-	-	-	-
Total assets	\$ 25,084	\$ 69,813	\$ 49,921	\$ 315,734	\$ 571,292	\$ 359,819
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 78,734	\$ 1,259	\$ 25,628
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	78,734	1,259	25,628
Fund Balances:						
Unreserved designated for:						
Special purposes	25,084	69,813	49,921	237,000	570,033	334,191
Total fund balances	25,084	69,813	49,921	237,000	570,033	334,191
Total liabilities and fund balances	\$ 25,084	\$ 69,813	\$ 49,921	\$ 315,734	\$ 571,292	\$ 359,819

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
\$ 642,606	\$ 1,933,181	\$ 851,238	\$ 1,388,384	\$ -	\$ -	\$ 275,668	\$ 244,232
3,015	145,378	-	234,547	-	-	-	30,786
-	16,640	-	-	75,864	4,991	-	-
5,434	16,797	7,128	11,173	-	-	2,371	2,052
-	-	-	-	195,000	-	-	-
<u>\$ 651,055</u>	<u>\$ 2,111,996</u>	<u>\$ 858,366</u>	<u>\$ 1,634,104</u>	<u>\$ 270,864</u>	<u>\$ 4,991</u>	<u>\$ 278,039</u>	<u>\$ 277,070</u>
\$ 2,400	\$ 187,663	\$ -	\$ 224,740	\$ 7,313	\$ 129	\$ -	\$ 412
-	-	-	-	68,551	4,862	-	-
-	-	-	-	-	-	-	-
-	-	-	-	195,000	-	-	-
<u>2,400</u>	<u>187,663</u>	<u>-</u>	<u>224,740</u>	<u>270,864</u>	<u>4,991</u>	<u>-</u>	<u>412</u>
<u>648,655</u>	<u>1,924,333</u>	<u>858,366</u>	<u>1,409,364</u>	<u>-</u>	<u>-</u>	<u>278,039</u>	<u>276,658</u>
<u>648,655</u>	<u>1,924,333</u>	<u>858,366</u>	<u>1,409,364</u>	<u>-</u>	<u>-</u>	<u>278,039</u>	<u>276,658</u>
<u>\$ 651,055</u>	<u>\$ 2,111,996</u>	<u>\$ 858,366</u>	<u>\$ 1,634,104</u>	<u>\$ 270,864</u>	<u>\$ 4,991</u>	<u>\$ 278,039</u>	<u>\$ 277,070</u>

(Continued)

City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2009

	Library Trust Fund	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
ASSETS						
Cash and investments	\$ 16,859	\$ 343,943	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	-	-	19,600	-	-
Grants	-	38,442	-	-	132,385	275,000
Interest	141	3,515	-	-	-	-
Notes receivable	-	-	-	-	-	-
Total assets	\$ 17,000	\$ 385,900	\$ -	\$ 19,600	\$ 132,385	\$ 275,000
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 56,483	\$ -	\$ 6,859	\$ 56,448	\$ -
Due to other funds	-	-	-	12,741	75,937	275,000
Deposits	-	-	-	-	-	-
Deferred revenue	-	15,743	-	-	-	-
Total liabilities	-	72,226	-	19,600	132,385	275,000
Fund Balances:						
Unreserved designated for:						
Special purposes	17,000	313,674	-	-	-	-
Total fund balances	17,000	313,674	-	-	-	-
Total liabilities and fund balances	\$ 17,000	\$ 385,900	\$ -	\$ 19,600	\$ 132,385	\$ 275,000



<u>State Park Bonds</u>	<u>Downtown Economic Loan</u>	<u>Disaster Relief</u>	<u>Federal ISTE Program</u>	<u>Total</u>
\$ -	\$ 25,449	\$ -	\$ -	\$ 7,043,147
-	-	-	-	491,471
179,260	-	-	367,000	1,089,582
-	214	-	-	60,756
-	-	-	-	195,000
<u>\$ 179,260</u>	<u>\$ 25,663</u>	<u>\$ -</u>	<u>\$ 367,000</u>	<u>\$ 8,879,956</u>

\$ -	\$ -	\$ -	\$ -	\$ 648,068
179,260	-	-	367,000	983,351
-	-	-	-	-
-	-	-	-	210,743
<u>179,260</u>	<u>-</u>	<u>-</u>	<u>367,000</u>	<u>1,842,162</u>

-	25,663	-	-	7,037,794
-	25,663	-	-	7,037,794
<u>\$ 179,260</u>	<u>\$ 25,663</u>	<u>\$ -</u>	<u>\$ 367,000</u>	<u>\$ 8,879,956</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, 2009

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,370
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	812	2,203	-	12,108	24,113	11,353
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	3,100	-	46,122	-	407,750	-
Other	-	50,784	-	342,646	-	19,658
Total revenues	3,912	52,987	46,122	354,754	431,863	159,381
EXPENDITURES:						
Current:						
Public safety	5,603	-	-	-	-	-
Community development	-	-	-	770,672	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	9,866	154,002
Capital outlay	-	-	-	-	65,060	-
Total expenditures	5,603	-	-	770,672	74,926	154,002
REVENUES OVER (UNDER) EXPENDITURES	(1,691)	52,987	46,122	(415,918)	356,937	5,379
OTHER FINANCING SOURCES (USES):						
Transfers out	-	(33,600)	-	-	-	-
Total other financing sources (uses)	-	(33,600)	-	-	-	-
Net change in fund balances	(1,691)	19,387	46,122	(415,918)	356,937	5,379
FUND BALANCES:						
Beginning of year	26,775	50,426	3,799	652,918	213,096	328,812
End of year	\$ 25,084	\$ 69,813	\$ 49,921	\$ 237,000	\$ 570,033	\$ 334,191

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
\$ 65,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
23,265	73,216	35,879	42,441	-	-	10,120	8,892
-	833,732	-	1,705,585	263,753	129	-	-
-	-	-	-	-	-	28,698	-
-	7,129	-	902	-	-	-	-
-	-	-	-	-	-	-	-
1,036	-	-	-	-	-	-	-
<u>90,242</u>	<u>914,077</u>	<u>35,879</u>	<u>1,748,928</u>	<u>263,753</u>	<u>129</u>	<u>38,818</u>	<u>8,892</u>
-	-	-	-	-	-	12,000	-
-	-	-	-	204,510	-	-	-
22,365	32,128	-	-	-	-	-	-
-	-	-	-	-	-	-	6,647
-	1,053,092	308,000	2,977,991	59,243	129	-	-
<u>22,365</u>	<u>1,085,220</u>	<u>308,000</u>	<u>2,977,991</u>	<u>263,753</u>	<u>129</u>	<u>12,000</u>	<u>6,647</u>
<u>67,877</u>	<u>(171,143)</u>	<u>(272,121)</u>	<u>(1,229,063)</u>	<u>-</u>	<u>-</u>	<u>26,818</u>	<u>2,245</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>67,877</u>	<u>(171,143)</u>	<u>(272,121)</u>	<u>(1,229,063)</u>	<u>-</u>	<u>-</u>	<u>26,818</u>	<u>2,245</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>
<u>\$ 648,655</u>	<u>\$ 1,924,333</u>	<u>\$ 858,366</u>	<u>\$ 1,409,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,039</u>	<u>\$ 276,658</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, 2009

	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	590	17,673	690	-	-	-
Intergovernmental	-	113,054	-	-	470,466	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	5,713	-	88,230	-	-
Contributions and donations	5,743	150,000	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	6,333	286,440	690	88,230	470,466	-
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	115,056	-
Operations services	-	-	-	88,230	-	-
Community activities	-	80,734	-	-	-	-
Capital outlay	-	557,753	-	-	355,410	-
Total expenditures	-	638,487	-	88,230	470,466	-
REVENUES OVER (UNDER) EXPENDITURES	6,333	(352,047)	690	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	(36,879)	-	-	-
Total other financing sources (uses)	-	-	(36,879)	-	-	-
Net change in fund balances	6,333	(352,047)	(36,189)	-	-	-
FUND BALANCES:						
Beginning of year	10,667	665,721	36,189	-	-	-
End of year	\$ 17,000	\$ 313,674	\$ -	\$ -	\$ -	\$ -

State Park Bonds	Downtown Economic Loan	Disaster Relief	Federal ISTEA Program	Total
\$ -	\$ -	\$ -	\$ -	\$ 194,311
-	-	-	-	-
-	926	-	-	264,281
371,610	-	-	-	3,758,329
-	-	-	-	28,698
-	-	-	-	101,974
-	-	-	-	612,715
-	-	-	-	414,124
371,610	926	-	-	5,374,432
-	-	-	-	17,603
-	-	-	-	1,090,238
-	-	-	-	142,723
-	-	-	-	251,249
371,610	-	-	-	5,748,288
371,610	-	-	-	7,250,101
-	926	-	-	(1,875,669)
-	-	(9,368)	-	(79,847)
-	-	(9,368)	-	(79,847)
-	926	(9,368)	-	(1,955,516)
-	24,737	9,368	-	8,993,310
\$ -	\$ 25,663	\$ -	\$ -	\$ 7,037,794

(Concluded)

City of Pleasanton
Budgetary Comparison Schedule
D.A.R.E Trust Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 800	\$ 700	\$ 812	\$ 112
Contributions and donations	7,000	7,000	3,100	(3,900)
Total revenues	<u>7,800</u>	<u>7,700</u>	<u>3,912</u>	<u>(3,788)</u>
EXPENDITURES:				
Current:				
Public safety	6,000	12,632	5,603	7,029
Total expenditures	<u>6,000</u>	<u>12,632</u>	<u>5,603</u>	<u>7,029</u>
Net change in fund balances	<u>\$ 1,800</u>	<u>\$ (4,932)</u>	<u>(1,691)</u>	<u>\$ 3,241</u>
FUND BALANCES:				
Beginning of year			<u>26,775</u>	
End of year			<u>\$ 25,084</u>	

City of Pleasanton
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Other	\$ 9,000	\$ 9,000	\$ 50,784	\$ 41,784
Use of money and property	1,000	1,300	2,203	903
Total revenues	10,000	10,300	52,987	42,687
EXPENDITURES:				
Current:				
Public safety	-	5,030	-	5,030
Total expenditures	-	5,030	-	(5,030)
OTHER FINANCING SOURCES (USES):				
Transfers out	(33,600)	(33,600)	(33,600)	-
Total other financing sources (uses)	(33,600)	(33,600)	(33,600)	-
Net change in fund balances	\$ (23,600)	\$ (28,330)	19,387	\$ 47,717
FUND BALANCES:				
Beginning of year			50,426	
End of year			\$ 69,813	

City of Pleasanton
Budgetary Comparison Schedule
CBD Parking In-Lieu Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 8,000	\$ -	\$ -	\$ -
Contributions and donations	-	46,122	46,122	-
Total revenues	8,000	46,122	46,122	-
Net change in fund balances	\$ 8,000	\$ 46,122	46,122	\$ -
FUND BALANCES:				
Beginning of year			3,799	
End of year			\$ 49,921	

City of Pleasanton
Budgetary Comparison Schedule
Resource Management Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 16,000	\$ 16,000	\$ 12,108	\$ (3,892)
Other	404,000	350,752	342,646	(8,106)
Total revenues	<u>420,000</u>	<u>366,752</u>	<u>354,754</u>	<u>(11,998)</u>
EXPENDITURES:				
Current:				
Community development	715,000	1,014,330	770,672	243,658
Total expenditures	<u>715,000</u>	<u>1,014,330</u>	<u>770,672</u>	<u>243,658</u>
Net change in fund balances	<u>\$ (295,000)</u>	<u>\$ (647,578)</u>	<u>(415,918)</u>	<u>\$ 231,660</u>
FUND BALANCES:				
Beginning of year			<u>652,918</u>	
End of year			<u>\$ 237,000</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Donations Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,080	\$ 17,080	\$ 24,113	\$ 7,033
Contributions and donations	-	404,725	407,750	3,025
Total revenues	<u>3,080</u>	<u>421,805</u>	<u>431,863</u>	<u>10,058</u>
EXPENDITURES:				
Current:				
Community activities	10,000	9,877	9,866	(11)
Capital Outlay	-	65,060	65,060	-
Total expenditures	<u>10,000</u>	<u>74,937</u>	<u>74,926</u>	<u>(11)</u>
Net change in fund balances	<u>\$ (6,920)</u>	<u>\$ 346,868</u>	356,937	<u>\$ 10,069</u>
FUND BALANCES:				
Beginning of year			<u>213,096</u>	
End of year			<u>\$ 570,033</u>	

City of Pleasanton
Budgetary Comparison Schedule
Landscape and Lighting Districts
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 129,947	\$ 129,989	\$ 128,370	\$ (1,619)
Use of money and property	9,300	9,000	11,353	2,353
Other	11,565	11,590	19,658	8,068
Total revenues	150,812	150,579	159,381	8,802
EXPENDITURES:				
Current:				
Community activities	141,371	163,025	154,002	9,023
Total expenditures	141,371	163,025	154,002	9,023
Net change in fund balances	\$ 9,441	\$ (12,446)	5,379	\$ 17,825
FUND BALANCES:				
Beginning of year			328,812	
End of year			\$ 334,191	

City of Pleasanton
Budgetary Comparison Schedule
Geologic Hazard Assessment Districts
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 62,645	\$ 62,719	\$ 65,941	\$ 3,222
Use of money and property	16,600	17,000	23,265	6,265
Other	1,031	1,036	1,036	-
Total revenues	80,276	80,755	90,242	9,487
EXPENDITURES:				
Current:				
Operations services	63,587	63,612	22,365	41,247
Total expenditures	63,587	63,612	22,365	41,247
Net change in fund balances	\$ 16,689	\$ 17,143	67,877	\$ 50,734
FUND BALANCES:				
Beginning of year			580,778	
End of year			\$ 648,655	

City of Pleasanton
Budgetary Comparison Schedule
Measure B Street Repair Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 55,000	\$ 73,216	\$ 18,216
Intergovernmental	894,590	898,664	833,732	(64,932)
Reimbursements	-	-	7,129	7,129
Total revenues	909,590	953,664	914,077	(39,587)
EXPENDITURES:				
Current:				
Operations services	28,566	32,786	32,128	658
Capital outlay	2,101,298	2,025,889	1,053,092	972,797
Total expenditures	2,129,864	2,058,675	1,085,220	973,455
Net change in fund balances	\$ (1,220,274)	\$ (1,105,011)	(171,143)	\$ 933,868
FUND BALANCES:				
Beginning of year			2,095,476	
End of year			\$ 1,924,333	

City of Pleasanton
Budgetary Comparison Schedule
Prop 1B Street Repair Bond
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 32,000	\$ 35,879	\$ 3,879
Total revenues	-	32,000	35,879	3,879
EXPENDITURES:				
Capital outlay	308,000	308,000	308,000	-
Total expenditures	308,000	308,000	308,000	-
Net change in fund balances	\$ (308,000)	\$ (276,000)	(272,121)	\$ 3,879
FUND BALANCES:				
Beginning of year			1,130,487	
End of year			\$ 858,366	

City of Pleasanton
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 40,000	\$ 40,000	\$ 42,441	\$ 2,441
Intergovernmental	1,879,376	1,602,500	1,705,585	103,085
Reimbursements	-	-	902	902
Total revenues	<u>1,919,376</u>	<u>1,642,500</u>	<u>1,748,928</u>	<u>106,428</u>
EXPENDITURES:				
Capital outlay	4,286,829	3,728,650	2,977,991	750,659
Total expenditures	<u>4,286,829</u>	<u>3,728,650</u>	<u>2,977,991</u>	<u>750,659</u>
Net change in fund balances	<u>\$ (2,367,453)</u>	<u>\$ (2,086,150)</u>	(1,229,063)	<u>\$ 857,087</u>
FUND BALANCES:				
Beginning of year			<u>2,638,427</u>	
End of year			<u>\$ 1,409,364</u>	

City of Pleasanton
Budgetary Comparison Schedule
H.O.M.E. Program Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 164,833	\$ 677,621	\$ 263,753	\$ (413,868)
Total revenues	164,833	677,621	263,753	(413,868)
EXPENDITURES:				
Current:				
Community development	3,553	204,510	204,510	-
Capital outlay	160,943	473,111	59,243	413,868
Total expenditures	164,496	677,621	263,753	413,868
Net change in fund balances	\$ 337	\$ -	-	\$ -
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, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 85,138	\$ 92,240	\$ 129	\$ (92,111)
Total revenues	85,138	92,240	129	(92,111)
EXPENDITURES:				
Capital outlay	85,138	92,240	129	92,111
Total expenditures	85,138	92,240	129	92,111
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, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 7,000	\$ 8,500	\$ 10,120	\$ 1,620
Charge for services	29,500	29,500	28,698	(802)
Total revenues	36,500	38,000	38,818	818
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	\$ 26,000	26,818	\$ 818
FUND BALANCES:				
Beginning of year			251,221	
End of year			\$ 278,039	

City of Pleasanton
Budgetary Comparison Schedule
Urban Forestry Program Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 7,000	\$ 8,000	\$ 8,892	\$ 892
Total revenues	7,000	8,000	8,892	892
EXPENDITURES:				
Current:				
Community activities	22,170	22,170	6,647	15,523
Total expenditures	22,170	22,170	6,647	15,523
Net change in fund balances	\$ (15,170)	\$ (14,170)	2,245	\$ 16,415
FUND BALANCES:				
Beginning of year			274,413	
End of year			\$ 276,658	

City of Pleasanton
Budgetary Comparison Schedule
Library Trust Fund Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 400	\$ 590	\$ 190
Contributions and donations	-	5,643	5,743	100
Total revenues	-	6,043	6,333	290
Net change in fund balances	\$ -	\$ 6,043	6,333	\$ 290
FUND BALANCES:				
Beginning of year			10,667	
End of year			\$ 17,000	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Grants Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 19,000	\$ 17,673	\$ (1,327)
Intergovernmental	15,607	137,327	113,054	(24,273)
Contributions and Donation	-	150,000	150,000	-
Reimbursement	18,879	28,299	5,713	(22,586)
Total revenues	34,486	334,626	286,440	(48,186)
EXPENDITURES:				
Current:				
Public safety	34,486	284,701	80,734	203,967
Capital outlay	500,000	693,996	557,753	136,243
Total expenditures	534,486	978,697	638,487	340,210
Net change in fund balances	\$ (500,000)	\$ (644,071)	(352,047)	\$ 292,024
FUND BALANCES:				
Beginning of year			665,721	
End of year			\$ 313,674	

City of Pleasanton
Budgetary Comparison Schedule
Ridgeview Commons Housing Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,200	\$ 690	\$ (510)
Total revenues	1,000	1,200	690	(510)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(37,106)	(36,879)	(227)
Total other financing sources (uses)	-	(37,106)	(36,879)	(227)
Net change in fund balances	\$ 1,000	\$ 38,306	(36,189)	\$ (737)
FUND BALANCES:				
Beginning of year			36,189	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
HBPOA Maintenance District Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Reimbursements	\$ 98,550	\$ 163,550	\$ 88,230	\$ (75,320)
Total revenues	98,550	163,550	88,230	(75,320)
EXPENDITURES:				
Operations services	98,550	163,550	88,230	75,320
Total expenditures	98,550	163,550	88,230	75,320
Net change in fund balances	\$ -	\$ -	-	\$ -
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, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 285,395	\$ 605,936	\$ 470,466	\$ (135,470)
Total revenues	285,395	605,936	470,466	(135,470)
EXPENDITURES:				
Current:				
Community development	54,896	123,108	115,056	8,052
Capital outlay	228,316	529,617	355,410	174,207
Total expenditures	283,212	652,725	470,466	182,259
Net change in fund balances	\$ 2,183	\$ (46,789)	-	\$ 46,789
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, 2009

	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, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 662,610	\$ 371,610	\$ 371,610	\$ -
Total revenues	662,610	371,610	371,610	-
EXPENDITURES:				
Capital outlay	662,610	371,610	371,610	-
Total expenditures	662,610	371,610	371,610	-
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, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 800	\$ 926	\$ 126
Total revenues	500	800	926	126
Net change in fund balances	\$ 500	\$ 800	926	\$ 126
FUND BALANCES:				
Beginning of year			24,737	
End of year			\$ 25,663	

City of Pleasanton
Budgetary Comparison Schedule
Disaster Relief Special Revenue Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
OTHER FINANCING				
SOURCES (USES):				
Transfers out	\$ -	\$ (9,368)	\$ (9,368)	\$ -
Total other financing sources (uses)	-	(9,368)	(9,368)	-
Net change in fund balances	\$ -	\$ 9,368	(9,368)	\$ -
FUND BALANCES:				
Beginning of year			9,368	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Federal ISTEPA Program Special Revenue Fund
For the year ended June 30, 2009

	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>	

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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.

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City of Pleasanton
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2009

	2003 COPs	2004 COPs	Total
ASSETS			
Restricted cash and investments	\$ -	\$ 404,188	\$ 404,188
Total assets	<u>\$ -</u>	<u>\$ 404,188</u>	<u>\$ 404,188</u>
FUND BALANCES			
Reserved for debt service	\$ -	\$ 404,188	\$ 404,188
Total fund balances	<u>\$ -</u>	<u>\$ 404,188</u>	<u>\$ 404,188</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
For the year ended June 30, 2009

	2003 COPs	2004 COPs	Total
REVENUES:			
Use of money and property	\$ 13	\$ 2,319	\$ 2,332
Total operating revenues	<u>13</u>	<u>2,319</u>	<u>2,332</u>
EXPENDITURES:			
Debt service:			
Principal	935,000	490,000	1,425,000
Interest	1,061,015	68,588	1,129,603
Total expenditures	<u>1,996,015</u>	<u>558,588</u>	<u>2,554,603</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,996,002)</u>	<u>(556,269)</u>	<u>(2,552,271)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,995,911	554,266	2,550,177
Total other financing sources (uses)	<u>1,995,911</u>	<u>554,266</u>	<u>2,550,177</u>
Net change in fund balances	(91)	(2,003)	(2,094)
FUND BALANCES:			
Beginning of year	91	406,191	406,282
End of year	<u>\$ -</u>	<u>\$ 404,188</u>	<u>\$ 404,188</u>

City of Pleasanton
Budgetary Comparison Schedule
2003 COPs Debt Service Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,000	\$ 20	\$ 13	\$ (7)
Total revenues	1,000	20	13	(7)
EXPENDITURES:				
Debt service:				
Principal	935,000	935,000	935,000	-
Interest, fiscal charges	1,061,015	1,061,015	1,061,015	-
Total expenditures	1,996,015	1,996,015	1,996,015	-
REVENUES OVER (UNDER) EXPENDITURES	(1,995,015)	(1,995,995)	(1,996,002)	(7)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,996,015	1,996,015	1,995,911	(104)
Total other financing sources (uses)	1,996,015	1,996,015	1,995,911	(104)
Net change in fund balances	\$ 1,000	\$ 20	(91)	\$ (111)
FUND BALANCES:				
Beginning of year			91	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
2004 COPs Debt Service Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 4,000	\$ 2,319	\$ (1,681)
Total revenues	15,000	4,000	2,319	(1,681)
EXPENDITURES:				
Debt service:				
Principal	490,000	490,000	490,000	-
Interest, fiscal charges	68,587	68,587	68,588	(1)
Total expenditures	558,587	558,587	558,588	(1)
REVENUES OVER (UNDER) EXPENDITURES	(543,587)	(554,587)	(556,269)	(1,680)
OTHER FINANCING SOURCES (USES):				
Transfers in	558,587	558,587	554,266	(4,321)
Total other financing sources (uses)	558,587	558,587	554,266	(4,321)
Net change in fund balances	\$ 15,000	\$ 4,000	(2,003)	\$ (6,001)
FUND BALANCES:				
Beginning of year			406,191	
End of year			\$ 404,188	

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.

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.

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.

NON-MAJOR CAPITAL PROJECTS FUNDS, Continued

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, 2009

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
ASSETS						
Cash and investments	\$ 16,399,759	\$ 2,701,775	\$ 3,606,459	\$ 4,827,363	\$ 9,064,139	\$ 1,985,566
Receivables:						
Accounts	-	-	-	-	142,608	-
Interest	123,957	15,841	30,774	40,002	74,284	16,902
Deposits	-	1,000,000	-	-	-	-
Total assets	\$ 16,523,716	\$ 3,717,616	\$ 3,637,233	\$ 4,867,365	\$ 9,281,031	\$ 2,002,468
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 641,035	\$ -	\$ 124,374	\$ -	\$ 365,456	\$ 1,976
Deposits	-	-	-	-	-	-
Total liabilities	641,035	-	124,374	-	365,456	1,976
Fund Balances:						
Unreserved, designated for capital projects	15,882,681	3,717,616	3,512,859	4,867,365	8,915,575	2,000,492
Total fund balances	15,882,681	3,717,616	3,512,859	4,867,365	8,915,575	2,000,492
Total liabilities and fund balances	\$ 16,523,716	\$ 3,717,616	\$ 3,637,233	\$ 4,867,365	\$ 9,281,031	\$ 2,002,468

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
\$ 28,581	\$ 821,481	\$ 9,333,497	\$ 2,345,088	\$ 738,868	\$ 256,743	\$ 5,888,172	\$ 57,997,491
-	-	4,784	-	-	-	62,257	209,649
7,040	7,128	78,923	9,776	5,909	-	38,101	448,637
-	-	-	-	-	-	-	1,000,000
<u>\$ 35,621</u>	<u>\$ 828,609</u>	<u>\$ 9,417,204</u>	<u>\$ 2,354,864</u>	<u>\$ 744,777</u>	<u>\$ 256,743</u>	<u>\$ 5,988,530</u>	<u>\$ 59,655,777</u>
\$ 4,806	\$ 32,594	\$ 80,919	\$ 117,576	\$ 9,479	\$ -	\$ 55,410	\$ 1,433,625
-	-	-	-	-	256,743	-	256,743
<u>4,806</u>	<u>32,594</u>	<u>80,919</u>	<u>117,576</u>	<u>9,479</u>	<u>256,743</u>	<u>55,410</u>	<u>1,690,368</u>
30,815	796,015	9,336,285	2,237,288	735,298	-	5,933,120	57,965,409
30,815	796,015	9,336,285	2,237,288	735,298	-	5,933,120	57,965,409
<u>\$ 35,621</u>	<u>\$ 828,609</u>	<u>\$ 9,417,204</u>	<u>\$ 2,354,864</u>	<u>\$ 744,777</u>	<u>\$ 256,743</u>	<u>\$ 5,988,530</u>	<u>\$ 59,655,777</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, 2009

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
REVENUES:						
Use of money and property	\$ 578,943	\$ 9,596	\$ 132,707	\$ 162,347	\$ 325,446	\$ 61,529
Intergovernmental	-	-	-	-	-	-
Development fees	-	-	77,746	823,032	42,750	417,960
Reimbursements	-	-	-	-	33,305	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	578,943	9,596	210,453	985,379	401,501	479,489
EXPENDITURES:						
Current:						
Operations services	-	-	-	-	-	-
Community activities	10,000	3,000	-	-	-	9,699
Capital outlay	4,604,816	2,107,225	216,149	116,360	859,695	2,667,068
Total expenditures	4,614,816	2,110,225	216,149	116,360	859,695	2,676,767
REVENUES OVER (UNDER) EXPENDITURES	(4,035,873)	(2,100,629)	(5,696)	869,019	(458,194)	(2,197,278)
OTHER FINANCING SOURCES (USES):						
Transfers in	3,090,870	1,200,000	-	75,000	300,000	-
Transfers out	(955,349)	-	(266,337)	-	-	-
Total other financing sources (uses)	2,135,521	1,200,000	(266,337)	75,000	300,000	-
Net change in fund balances	(1,900,352)	(900,629)	(272,033)	944,019	(158,194)	(2,197,278)
FUND BALANCES:						
Beginning of year	17,783,033	4,618,245	3,784,892	3,923,346	9,073,769	4,197,770
End of year	\$ 15,882,681	\$ 3,717,616	\$ 3,512,859	\$ 4,867,365	\$ 8,915,575	\$ 2,000,492

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
\$ 30,204	\$ 30,693	\$ 360,154	\$ 44,029	\$ 28,836	\$ -	\$ 113,704	\$ 1,878,188
-	-	-	-	-	-	45,000	45,000
-	-	-	-	2,996,016	-	-	4,357,504
-	-	4,783	-	-	-	-	38,088
-	-	521,800	-	-	-	-	521,800
-	-	-	-	-	-	-	-
30,204	30,693	886,737	44,029	3,024,852	-	158,704	6,840,580
-	-	-	30,349	-	-	-	30,349
32,727	-	3,589	-	-	-	905	59,920
-	227,041	2,948,942	265,759	2,909,479	-	6,757,197	23,679,731
32,727	227,041	2,952,531	296,108	2,909,479	-	6,758,102	23,770,000
(2,523)	(196,348)	(2,065,794)	(252,079)	115,373	-	(6,599,398)	(16,929,420)
-	-	-	-	-	-	2,600,000	7,265,870
(1,200,000)	-	-	-	-	-	(830,340)	(3,252,026)
(1,200,000)	-	-	-	-	-	1,769,660	4,013,844
(1,202,523)	(196,348)	(2,065,794)	(252,079)	115,373	-	(4,829,738)	(12,915,576)
1,233,338	992,363	11,402,079	2,489,367	619,925	-	10,762,858	70,880,985
\$ 30,815	\$ 796,015	\$ 9,336,285	\$ 2,237,288	\$ 735,298	\$ -	\$ 5,933,120	\$ 57,965,409

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City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 120,000	\$ 450,000	\$ 578,943	\$ 128,943
Intergovernmental	3,490	-	-	-
Total revenues	123,490	450,000	578,943	128,943
EXPENDITURES:				
Current:				
Community activities	320,335	1,525,277	10,000	1,515,277
Capital outlay	21,560,083	16,887,523	4,604,816	12,282,707
Total expenditures	21,880,418	18,412,800	4,614,816	13,797,984
REVENUES OVER (UNDER) EXPENDITURES	(21,756,928)	(17,962,800)	(4,035,873)	13,926,927
OTHER FINANCING SOURCES (USES):				
Transfers in	5,100,000	3,090,870	3,090,870	-
Transfers out	(768,806)	(958,806)	(955,349)	3,457
Total other financing sources (uses)	4,331,194	2,132,064	2,135,521	3,457
Net change in fund balances	\$ (17,425,734)	\$ (15,830,736)	(1,900,352)	\$ 13,930,384
FUND BALANCES:				
Beginning of year			17,783,033	
End of year			\$ 15,882,681	

City of Pleasanton
Budgetary Comparison Schedule
CIP for Downtown and North Pleasanton
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 10,000	\$ 9,596	\$ (404)
Total revenues	-	10,000	9,596	(404)
EXPENDITURES:				
Current:				
Community activities	-	3,000	3,000	-
Capital outlay	4,561,961	5,758,961	2,107,225	3,651,736
Total expenditures	4,561,961	5,761,961	2,110,225	3,651,736
REVENUES OVER (UNDER) EXPENDITURES	(4,561,961)	(5,751,961)	(2,100,629)	3,651,332
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,200,000	1,200,000	-
Total other financing sources (uses)	-	1,200,000	1,200,000	-
Net change in fund balances	\$ (4,561,961)	\$ (4,551,961)	(900,629)	\$ 3,651,332
FUND BALANCES:				
Beginning of year			4,618,245	
End of year			\$ 3,717,616	

City of Pleasanton
Budgetary Comparison Schedule
Capital Improvement Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 90,000	\$ 100,000	\$ 132,707	\$ 32,707
Development fees	288,062	62,672	77,746	15,074
Total revenues	378,062	162,672	210,453	47,781
EXPENDITURES:				
Capital outlay	2,688,387	2,658,558	216,149	2,442,409
Total expenditures	2,688,387	2,658,558	216,149	2,442,409
OTHER FINANCING SOURCES (USES):				
Transfers out	(267,201)	(267,201)	(266,337)	864
Total other financing sources (uses)	(267,201)	(267,201)	(266,337)	864
Net change in fund balances	\$ (2,577,526)	\$ (2,763,087)	(272,033)	\$ 2,491,054
FUND BALANCES:				
Beginning of year			3,784,892	
End of year			\$ 3,512,859	

City of Pleasanton
Budgetary Comparison Schedule
Neighborhood Park Development Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 100,000	\$ 162,347	\$ 62,347
Development fees	983,140	803,618	823,032	19,414
Total revenues	983,140	903,618	985,379	81,761
EXPENDITURES:				
Capital outlay	3,792,894	3,792,894	116,360	3,676,534
Total expenditures	3,792,894	3,792,894	116,360	3,676,534
REVENUES OVER (UNDER) EXPENDITURES	(2,809,754)	(2,889,276)	869,019	3,758,295
OTHER FINANCING SOURCES (USES):				
Transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	75,000	75,000	75,000	-
Net change in fund balances	\$ (2,734,754)	\$ (2,814,276)	944,019	\$ 3,758,295
FUND BALANCES:				
Beginning of year			3,923,346	
End of year			\$ 4,867,365	

City of Pleasanton
Budgetary Comparison Schedule
Street Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 80,000	\$ 200,000	\$ 325,446	\$ 125,446
Development fees	50,000	18,450	42,750	24,300
Reimbursements	-	14,518	33,305	18,787
Total revenues	130,000	232,968	401,501	168,533
EXPENDITURES:				
Capital outlay	9,299,608	8,421,605	859,695	7,561,910
Total expenditures	9,299,608	8,421,605	859,695	7,561,910
REVENUES OVER (UNDER) EXPENDITURES	(9,169,608)	(8,188,637)	(458,194)	7,730,443
OTHER FINANCING SOURCES (USES):				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net change in fund balances	\$ (8,869,608)	\$ (7,888,637)	(158,194)	\$ 7,730,443
FUND BALANCES:				
Beginning of year			9,073,769	
End of year			\$ 8,915,575	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 70,000	\$ 70,000	\$ 61,529	\$ (8,471)
Development fees	636,054	408,367	417,960	9,593
Total revenues	706,054	478,367	479,489	1,122
EXPENDITURES:				
Current:				
Operations services	-	111,040	9,699	101,341
Capital outlay	3,681,223	3,680,624	2,667,068	1,013,556
Total expenditures	3,681,223	3,791,664	2,676,767	1,114,897
REVENUES OVER (UNDER) EXPENDITURES	(2,975,169)	(3,313,297)	(2,197,278)	1,116,019
Net change in fund balances	\$ (2,975,169)	\$ (3,313,297)	(2,197,278)	\$ 1,116,019
FUND BALANCES:				
Beginning of year			4,197,770	
End of year			\$ 2,000,492	

City of Pleasanton
Budgetary Comparison Schedule
Landscape Maintenance N.P.I.D. Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 5,000	\$ 30,000	\$ 30,204	\$ 204
Total revenues	5,000	30,000	30,204	204
EXPENDITURES:				
Current:				
Community activities	1,197,472	53,668	32,727	20,941
Total expenditures	1,197,472	53,668	32,727	20,941
REVENUES OVER (UNDER) EXPENDITURES	(1,197,472)	(53,668)	(2,523)	20,941
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,200,000)	(1,200,000)	-
Total other financing sources (uses)	-	(1,200,000)	(1,200,000)	-
Net change in fund balances	\$ (1,197,472)	\$ (1,253,668)	(1,202,523)	\$ 20,941
FUND BALANCES:				
Beginning of year			1,233,338	
End of year			\$ 30,815	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact - Bernal Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 25,000	\$ 30,693	\$ 5,693
Total revenues	-	25,000	30,693	5,693
EXPENDITURES:				
Capital Outlay	919,261	919,261	227,041	692,220
Total expenditures	919,261	919,261	227,041	692,220
Net change in fund balances	\$ (919,261)	\$ (894,261)	(196,348)	\$ 697,913
FUND BALANCES:				
Beginning of year			992,363	
End of year			\$ 796,015	

City of Pleasanton
Budgetary Comparison Schedule
Budgeted Developer Projects Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 360,154	\$ 360,154
Contributions and donations	-	-	521,800	521,800
Reimbursements	-	-	4,783	4,783
Total revenues	-	-	886,737	886,737
EXPENDITURES:				
Current:				
Community activities	-	-	3,589	(3,589)
Capital outlay	4,555,402	6,875,541	2,948,942	3,926,599
Total expenditures	4,555,402	6,875,541	2,952,531	3,923,010
Net change in fund balances	<u><u>\$ (4,555,402)</u></u>	<u><u>\$ (6,875,541)</u></u>	(2,065,794)	<u><u>\$ 4,809,747</u></u>
FUND BALANCES:				
Beginning of year			11,402,079	
End of year			<u><u>\$ 9,336,285</u></u>	

City of Pleasanton
Budgetary Comparison Schedule
Assessment District Construction Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 5,000	\$ 25,000	\$ 44,029	\$ 19,029
Total revenues	<u>5,000</u>	<u>25,000</u>	<u>44,029</u>	<u>19,029</u>
EXPENDITURES:				
Current:				
Operations services	21,910	22,550	30,349	(7,799)
Capital outlay	1,406,312	1,691,822	265,759	1,426,063
Total expenditures	<u>1,428,222</u>	<u>1,714,372</u>	<u>296,108</u>	<u>1,418,264</u>
Net change in fund balances	<u>\$ (1,423,222)</u>	<u>\$ (1,689,372)</u>	(252,079)	<u>\$ (1,399,235)</u>
FUND BALANCES:				
Beginning of year			<u>2,489,367</u>	
End of year			<u>\$ 2,237,288</u>	

City of Pleasanton
Budgetary Comparison Schedule
Tri-Valley Transportation Capital Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 20,000	\$ 28,836	\$ 8,836
Development fees	67,492	4,045,638	2,996,016	(1,049,622)
Total revenues	67,492	4,065,638	3,024,852	(1,040,786)
EXPENDITURES:				
Capital outlay	533,935	4,512,081	2,909,479	1,602,602
Total expenditures	533,935	4,512,081	2,909,479	1,602,602
Net change in fund balances	\$ (466,443)	\$ (446,443)	115,373	\$ 561,816
FUND BALANCES:				
Beginning of year			619,925	
End of year			\$ 735,298	

City of Pleasanton
Budgetary Comparison Schedule
Park Capital Improvement Projects Fund
For the year ended June 30, 2009

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 130,000	\$ 113,704	\$ (16,296)
Intergovernmental	-	-	45,000	45,000
Total revenues	-	130,000	158,704	28,704
EXPENDITURES:				
Current:				
Operations services	-	-	905	(905)
Capital outlay	13,072,079	12,242,961	6,757,197	5,485,764
Total expenditures	13,072,079	12,242,961	6,758,102	5,484,859
REVENUES OVER (UNDER) EXPENDITURES	(13,072,079)	(12,112,961)	(6,599,398)	5,513,563
OTHER FINANCING SOURCES (USES):				
Transfers in	2,600,000	2,600,000	2,600,000	-
Transfers out	-	(830,340)	(830,340)	-
Total other financing sources (uses)	2,600,000	1,769,660	1,769,660	-
Net change in fund balances	\$ (10,472,079)	\$ (10,343,301)	(4,829,738)	\$ 5,513,563
FUND BALANCES:				
Beginning of year			10,762,858	
End of year			\$ 5,933,120	

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.

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, 2009

	Transit	Cemetery	Pleasanton Housing Authority	Total
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 290,755	\$ 329,655	\$ 620,410
Receivables (net):				
Accounts	47,671	-	-	47,671
Interest	-	1,197	-	1,197
Total current assets	<u>47,671</u>	<u>291,952</u>	<u>329,655</u>	<u>669,278</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	10,000	51,750	61,750
Depreciable	245,908	-	482,165	728,073
Total noncurrent assets	<u>245,908</u>	<u>10,000</u>	<u>533,915</u>	<u>789,823</u>
Total assets	<u>293,579</u>	<u>301,952</u>	<u>863,570</u>	<u>1,459,101</u>
LIABILITIES				
Current liabilities:				
Accounts payable	236	4,200	17,592	22,028
Payroll payable	16,657	-	-	16,657
Due to other funds	29,223	-	-	29,223
Interest payable	-	-	9,949	9,949
Refundable deposits	-	-	12,555	12,555
Deferred revenue	872	-	36,851	37,723
Notes payable - current portion	-	-	51,230	51,230
Total current liabilities	<u>46,988</u>	<u>4,200</u>	<u>128,177</u>	<u>179,365</u>
Noncurrent liabilities:				
Notes payable	-	-	174,875	174,875
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>174,875</u>	<u>174,875</u>
Total liabilities	<u>46,988</u>	<u>4,200</u>	<u>303,052</u>	<u>354,240</u>
NET ASSETS				
Invested in capital assets, net of related debt	245,908	10,000	307,810	563,718
Unrestricted	683	287,752	252,708	541,143
Total net assets	<u>\$ 246,591</u>	<u>\$ 297,752</u>	<u>\$ 560,518</u>	<u>\$ 1,104,861</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
Non-Major Enterprise Funds
For the year ended June 30, 2009

	Transit	Cemetery	Pleasanton Housing Authority	Total
OPERATING REVENUES:				
Charges for services	\$ 42,289	\$ -	\$ 175,873	\$ 218,162
Miscellaneous	193,246	9,000	277,471	479,717
Total operating revenues	235,535	9,000	453,344	697,879
OPERATING EXPENSES:				
Personnel services	569,109	-	122,696	691,805
Transportation	57,451	-	-	57,451
Repairs and maintenance	1,717	-	82,344	84,061
Materials, supplies, and services	6,237	47,983	105,633	159,853
Depreciation	57,741	-	87,098	144,839
Total operating expenses	692,255	47,983	397,771	1,138,009
OPERATING INCOME (LOSS)	(456,720)	(38,983)	55,573	(440,130)
NONOPERATING REVENUES (EXPENSES):				
Interest income	-	5,574	2,993	8,567
Interest expense	-	-	(15,996)	(15,996)
Total nonoperating revenues (expenses)	-	5,574	(13,003)	(7,429)
Net income (loss) before contributions and transfers	(456,720)	(33,409)	42,570	(447,559)
Capital contributions	295,776	-	-	295,776
Transfers in	398,981	220,200	-	619,181
Change in net assets	238,037	186,791	42,570	467,398
NET ASSETS:				
Beginning of year, as restated (Note 14)	8,554	110,961	517,948	637,463
End of year	\$ 246,591	\$ 297,752	\$ 560,518	\$ 1,104,861

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2009

	Transit	Cemetery	Pleasanton Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customers	\$ (6,119)	\$ 665	\$ 207,071	\$ 201,617
Cash payment to suppliers for goods and services	(65,169)	(48,940)	(183,020)	(297,129)
Cash payment to employees for services	(552,452)	-	(122,696)	(675,148)
Miscellaneous revenue	222,469	9,000	277,471	508,940
Net cash provided (used) by operating activities	(401,271)	(39,275)	178,826	(261,720)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer in	398,981	220,200	-	619,181
Net cash provided (used) by noncapital financing activities	398,981	220,200	-	619,181
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments on long-term debt	-	-	(48,012)	(48,012)
Interest payment	-	-	(18,141)	(18,141)
Capital assets (acquisition)/ disposal	130	-	(23,663)	(23,533)
Net cash provided (used) by capital and related financing activities	130	-	(89,816)	(89,686)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	-	5,067	2,993	8,060
Net cash provided (used) by investing activities	-	5,067	2,993	8,060
Net increase (decrease) in cash and cash equivalents	(2,160)	185,992	92,003	275,835
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,160	104,763	237,652	344,575
End of year	\$ -	\$ 290,755	\$ 329,655	\$ 620,410
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (456,720)	\$ (38,983)	\$ 55,573	\$ (440,130)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	57,741	-	87,098	144,839
Decrease (increase) in:				
Accounts receivable	(47,672)	665	-	(47,007)
Increase (decrease) in:				
Accounts payable	236	(957)	4,957	4,236
Accrued payroll	16,657	-	-	16,657
Due to other funds	29,223	-	-	29,223
Deferred revenue	(736)	-	31,247	30,511
Refundable deposits	-	-	(49)	(49)
Net cash provided (used) by operating activities	\$ (401,271)	\$ (39,275)	\$ 178,826	\$ (261,720)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets contributed by developers	\$ 295,776	\$ -	\$ -	\$ 295,776
Total noncash capital and related financing activities	\$ 295,776	\$ -	\$ -	\$ 295,776

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost-reimbursement basis.

Employee Benefits

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

Public Art Acquisition and Maintenance

This fund is to provide a source of public funding for the design, selection, acquisition, purchase, renovation, conservation and installation of City-owned public art.

Replacement/ Renovation

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

Livermore/Pleasanton Fire Retirees Insurance Reserve

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

Self Insurance Retention

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

Retirees Insurance Reserve

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

City of Pleasanton
Combining Balance Sheet
Internal Services Funds
June 30, 2009

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
ASSETS				
Current assets:				
Cash and investments	\$ 13,912,428	\$ 454,566	\$ 23,563,082	\$ 11,259,066
Accounts receivable	-	-	10,797	-
Interest receivable	117,178	3,946	198,404	104,394
Total current assets	<u>14,029,606</u>	<u>458,512</u>	<u>23,772,283</u>	<u>11,363,460</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	1,211,946	-
Depreciable	-	-	8,571,057	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>9,783,003</u>	<u>-</u>
Total assets	<u>14,029,606</u>	<u>458,512</u>	<u>33,555,286</u>	<u>11,363,460</u>
LIABILITIES				
Current liabilities:				
Accounts payable	547,706	555	271,642	3,197
Payroll payable	114	-	-	-
Accrued compensated absences	667,966	-	-	-
Claims payable	947,713	-	-	-
Total current liabilities	<u>2,163,499</u>	<u>555</u>	<u>271,642</u>	<u>3,197</u>
Noncurrent liabilities:				
Accrued compensated absences	4,705,086	-	-	-
Claims payable	878,210	-	-	-
Total noncurrent liabilities	<u>5,583,296</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,746,795</u>	<u>555</u>	<u>271,642</u>	<u>3,197</u>
NET ASSETS				
Investment in capital assets, net of related debt	-	-	9,783,003	-
Unrestricted	6,282,811	457,957	23,500,641	11,360,263
Total net assets	<u>\$ 6,282,811</u>	<u>\$ 457,957</u>	<u>\$ 33,283,644</u>	<u>\$ 11,360,263</u>

Self Insurance Retention	Retiree Insurance Reserve	Total
\$ 9,056,616	\$ 31,271,415	\$ 89,517,173
-	-	10,797
67,335	276,616	767,873
<u>9,123,951</u>	<u>31,548,031</u>	<u>90,295,843</u>
-	-	1,211,946
-	-	8,571,057
-	-	9,783,003
<u>9,123,951</u>	<u>31,548,031</u>	<u>100,078,846</u>
6,892	19,101	849,093
-	-	114
-	-	667,966
359,808	-	1,307,521
<u>366,700</u>	<u>19,101</u>	<u>2,824,694</u>
-	-	4,705,086
33,643	-	911,853
33,643	-	5,616,939
<u>400,343</u>	<u>19,101</u>	<u>8,441,633</u>
-	-	9,783,003
8,723,608	31,528,930	81,854,210
<u>\$ 8,723,608</u>	<u>\$ 31,528,930</u>	<u>\$ 91,637,213</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Services Funds
For the year ended June 30, 2009

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
OPERATING REVENUES:				
Charges for services	\$ 27,098,341	\$ -	\$ 1,748,225	\$ 700,000
Miscellaneous	79,539	50,000	30,986	-
Total operating revenues	27,177,880	50,000	1,779,211	700,000
OPERATING EXPENSES:				
Personnel services	24,804,428	-	-	2,361,022
Materials, supplies, and services	1,446,056	73,576	3,095,218	17,770
Depreciation and amortization	-	-	1,469,969	-
Total operating expenses	26,250,484	73,576	4,565,187	2,378,792
OPERATING INCOME (LOSS)	927,396	(23,576)	(2,785,976)	(1,678,792)
NONOPERATING REVENUES/EXPENSES:				
Interest income	503,342	17,632	862,482	457,581
Gain (loss) from disposal of fixed assets	-	-	(135,523)	-
Total nonoperating revenues (expenses)	503,342	17,632	726,959	457,581
Income before Transfers in (out)	1,430,738	(5,944)	(2,059,017)	(1,221,211)
Transfers out	(1,392,775)	-	-	-
Change in net assets	37,963	(5,944)	(2,059,017)	(1,221,211)
NET ASSETS:				
Beginning of year, as restated (Note 14)	6,244,848	463,901	35,342,661	12,581,474
End of year	\$ 6,282,811	\$ 457,957	\$ 33,283,644	\$ 11,360,263

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,000,000	\$ 4,630,320	\$ 35,176,886
91,896	-	252,421
<u>1,091,896</u>	<u>4,630,320</u>	<u>35,429,307</u>
-	4,848,769	32,014,219
1,084,268	41,464	5,758,352
-	-	1,469,969
<u>1,084,268</u>	<u>4,890,233</u>	<u>39,242,540</u>
<u>7,628</u>	<u>(259,913)</u>	<u>(3,813,233)</u>
288,519	1,208,203	3,337,759
-	-	(135,523)
<u>288,519</u>	<u>1,208,203</u>	<u>3,202,236</u>
296,147	948,290	(610,997)
-	-	(1,392,775)
<u>296,147</u>	<u>948,290</u>	<u>(2,003,772)</u>
<u>8,427,461</u>	<u>30,580,640</u>	<u>93,640,985</u>
<u>\$ 8,723,608</u>	<u>\$ 31,528,930</u>	<u>\$ 91,637,213</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Services Funds
For the year ended June 30, 2009

	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	\$ 27,099,434	\$ -	\$ 1,757,813	\$ 700,000
Cash payment to suppliers for goods and services	(1,216,250)	(73,021)	(3,320,458)	(22,868)
Cash payment to employees for services	(24,324,284)	-	-	(2,361,022)
Miscellaneous revenue	79,539	50,000	30,986	-
Net cash provided (used) by operating activities	1,638,439	(23,021)	(1,531,659)	(1,683,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer out	(1,392,775)	-	-	-
Capital assets acquisition	-	-	(1,857,161)	-
Proceed from sale of assets	-	-	29,695	-
Net cash provided (used) by capital and related financing activities	(1,392,775)	-	(1,827,466)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	524,455	18,684	953,527	488,673
Net cash provided (used) by investing activities	524,455	18,684	953,527	488,673
Net increase (decrease) in cash and cash equivalents	770,119	(4,337)	(2,405,598)	(1,195,217)
CASH AND CASH EQUIVALENTS:				
Beginning of year	13,142,309	458,903	25,968,680	12,454,283
End of year	<u>\$ 13,912,428</u>	<u>\$ 454,566</u>	<u>\$ 23,563,082</u>	<u>\$ 11,259,066</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 927,396	\$ (23,576)	\$ (2,785,976)	\$ (1,678,792)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,469,969	-
Decrease (increase) in:				
Accounts receivable	1,093	-	9,588	-
Increase (decrease) in:				
Accounts payable	66,871	555	(225,240)	(5,098)
Payroll payable	(622)	-	-	-
Accrued compensated absences	480,766	-	-	-
Claims payable	162,935	-	-	-
Net cash provided (used) by operating activities	\$ 1,638,439	\$ (23,021)	\$ (1,531,659)	\$ (1,683,890)

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,000,000	\$ 4,630,320	\$ 35,187,567
(1,167,685)	(45,483)	(5,845,765)
-	(4,848,769)	(31,534,075)
91,896	-	252,421
<u>(75,789)</u>	<u>(263,932)</u>	<u>(1,939,852)</u>
-	-	(1,392,775)
-	-	(1,857,161)
-	-	29,695
<u>-</u>	<u>-</u>	<u>(3,220,241)</u>
307,594	1,258,742	3,551,675
<u>307,594</u>	<u>1,258,742</u>	<u>3,551,675</u>
231,805	994,810	(1,608,418)
8,824,811	30,276,605	91,125,591
<u>\$ 9,056,616</u>	<u>\$ 31,271,415</u>	<u>\$ 89,517,173</u>
\$ 7,628	\$ (259,913)	\$ (3,813,233)
-	-	1,469,969
-	-	10,681
(16,960)	(4,019)	(183,891)
-	-	(622)
-	-	480,766
(66,457)	-	96,478
<u>\$ (75,789)</u>	<u>\$ (263,932)</u>	<u>\$ (1,939,852)</u>

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OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

Miscellaneous Retiree Medical Trust

This irrevocable trust, established in June 2009, complies with GASB Statement No. 45 and the assets transferred into this fund are restricted solely for the payment of retiree medical benefits for miscellaneous employees.

Fire Retiree Medical Trust

This irrevocable trust, established in June 2009, complies with GASB Statement No. 45 and the assets transferred into this fund are restricted solely for the payment of retiree medical benefits for LPFD employees.

City of Pleasanton
Statement of Changes in Fiduciary Net Assets
Other Post-employment Benefit Trust Funds
For the Year Ended June 30, 2009

	Miscellaneous Retiree Medical	Fire Retiree Medical	Total
ADDITIONS:			
Investment income	\$ -	\$ -	\$ -
Contributions: Employer	3,600,000	1,900,000	5,500,000
Total additions	3,600,000	1,900,000	5,500,000
Changes in net assets	3,600,000	1,900,000	5,500,000
NET ASSETS:			
Beginning of year	-	-	-
End of year	\$ 3,600,000	\$ 1,900,000	\$ 5,500,000

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, 2009

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ 32,915	\$ 33,647	\$ 20,123	\$ 166,741	\$ 1,170,561
Receivables:					
Accounts	18,244	-	-	169,834	-
Interest	-	275	-	-	-
Restricted cash and investments	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	\$ 51,159	\$ 33,922	\$ 20,123	\$ 336,575	\$ 1,170,561
LIABILITIES					
Accounts payable	\$ 51,159	\$ -	\$ -	\$ 280,652	\$ -
Due to Bondholders	-	-	-	-	-
Deposits	-	33,922	20,123	55,923	1,170,561
Total liabilities	\$ 51,159	\$ 33,922	\$ 20,123	\$ 336,575	\$ 1,170,561

Altamont Settlement Agreement E.A.B.	1915 Act Bond Interest and Redemption	Pleasanton Joint Powers Financing Authority	Total
\$ -	\$ 14,271,574	\$ -	\$ 15,695,561
-	5,307	-	193,385
-	107,479	-	107,754
-	-	63	63
-	87,105	-	87,105
<u>\$ -</u>	<u>\$ 14,471,465</u>	<u>\$ 63</u>	<u>\$ 16,083,868</u>
\$ -	-	-	331,811
-	14,471,465	63	14,471,528
-	-	-	1,280,529
<u>\$ -</u>	<u>\$ 14,471,465</u>	<u>\$ 63</u>	<u>\$ 16,083,868</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>Employee Insurance Agency</u>				
Assets:				
Cash and investments	\$ 53,463	\$ 755,554	\$ (776,102)	\$ 32,915
Accounts receivable	30,861	290,949	(303,566)	18,244
Total assets	\$ 84,324	\$ 1,046,503	\$ (1,079,668)	\$ 51,159
Liabilities:				
Accounts payable	\$ 72,948	\$ 649,803	\$ (671,592)	\$ 51,159
Due to employees	11,376	-	(11,376)	-
Total liabilities	\$ 84,324	\$ 649,803	\$ (682,968)	\$ 51,159
<u>Downtown Merchant Association</u>				
Assets:				
Cash and investments	\$ 34,434	\$ 75,686	\$ (76,473)	\$ 33,647
Interest receivable	426	1,196	(1,347)	275
Total assets	\$ 34,860	\$ 76,882	\$ (77,820)	\$ 33,922
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	34,860	59,955	(60,893)	33,922
Total liabilities	\$ 34,860	\$ 59,955	\$ (60,893)	\$ 33,922
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 25,316	\$ -	\$ (5,193)	\$ 20,123
Total assets	\$ 25,316	\$ -	\$ (5,193)	\$ 20,123
Liabilities:				
Accounts payable	\$ -	\$ 5,193	\$ (5,193)	\$ -
Deposits	25,316	-	(5,193)	20,123
Total liabilities	\$ 25,316	\$ 5,193	\$ (10,386)	\$ 20,123
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 925,635	\$ 4,312,261	\$ (5,071,155)	\$ 166,741
Accounts receivable	211,700	169,834	(211,700)	169,834
Total assets	\$ 1,137,335	\$ 4,482,095	\$ (5,282,855)	\$ 336,575
Liabilities:				
Accounts payable	\$ 1,080,412	\$ 3,500,338	\$ (4,300,098)	\$ 280,652
Deposits	56,923	-	(1,000)	55,923
Total liabilities	\$ 1,137,335	\$ 3,500,338	\$ (4,301,098)	\$ 336,575

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 1,102,398	\$ 290,750	\$ (222,587)	\$ 1,170,561
Total assets	\$ 1,102,398	\$ 290,750	\$ (222,587)	\$ 1,170,561
Liabilities:				
Deposits	\$ 1,102,398	\$ 290,750	\$ (222,587)	\$ 1,170,561
Total liabilities	\$ 1,102,398	\$ 290,750	\$ (222,587)	\$ 1,170,561
<u>Altamont Settlement Agreement E.A.B</u>				
Assets:				
Cash and investments	\$ 474,927	\$ 3,812	\$ (478,739)	\$ -
Interest Receivable	3,088	3,217	(6,305)	-
Total assets	\$ 478,015	\$ 7,029	\$ (485,044)	\$ -
Liabilities:				
Deposits	\$ 478,015	\$ -	\$ (478,015)	\$ -
Total liabilities	\$ 478,015	\$ -	\$ (478,015)	\$ -
<u>1915 Act Bond</u>				
<u>Interest and Redemption</u>				
Assets:				
Cash and investments	\$ 13,038,986	\$ 13,859,990	\$ (12,627,402)	\$ 14,271,574
Receivables:				
Accounts	39,223	188,294	(222,210)	5,307
Interest	1,013,589	57,239	(963,349)	107,479
Notes	855,735	-	(768,630)	87,105
Total assets	\$ 14,947,533	\$ 14,105,523	\$ (14,581,591)	\$ 14,471,465
Liabilities:				
Due to Bondholders	\$ 14,947,533	\$ 11,023,621	\$ (11,499,689)	\$ 14,471,465
Total liabilities	\$ 14,947,533	\$ 11,023,621	\$ (11,499,689)	\$ 14,471,465
<u>Pleasanton Joint Powers</u>				
<u>Financing Authority</u>				
Assets:				
Restricted cash and investments	\$ 1,463	\$ 12,621,777	\$ (12,623,177)	\$ 63
Total assets	\$ 1,463	\$ 12,621,777	\$ (12,623,177)	\$ 63
Liabilities:				
Due to bondholders	\$ 1,463	\$ 11,065,044	\$ (11,066,444)	\$ 63
Total liabilities	\$ 1,463	\$ 11,065,044	\$ (11,066,444)	\$ 63

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 15,655,159	\$ 19,298,053	\$ (19,257,651)	\$ 15,695,561
Receivables:				
Accounts	281,784	649,077	(737,476)	193,385
Interest	1,017,103	61,652	(971,001)	107,754
Restricted cash and investments	1,463	12,621,777	(12,623,177)	63
Notes receivables	855,735	-	(768,630)	87,105
Total assets	<u>\$ 17,811,244</u>	<u>\$ 32,630,559</u>	<u>\$ (34,357,935)</u>	<u>\$ 16,083,868</u>
Liabilities:				
Accounts payable	\$ 1,153,360	\$ 4,155,334	\$ (4,976,883)	\$ 331,811
Due to bondholders	14,948,996	22,088,665	(22,566,133)	14,471,528
Due to employees	11,376	-	(11,376)	-
Deposits	1,697,512	350,705	(767,688)	1,280,529
Total liabilities	<u>\$ 17,811,244</u>	<u>\$ 26,594,704</u>	<u>\$ (28,322,080)</u>	<u>\$ 16,083,868</u>

(Concluded)

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>	183
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>	189
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>	195
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>	203
This information is intended to assist users in understanding socioeconomic environment within which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.	
<i>Operating Information</i>	207
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 Eight Fiscal Years

Changes in Net Assets - Last Eight Fiscal Years

Fund Balances - Last Eight Fiscal Years

Changes in Fund Balances - Last Eight Fiscal Years

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 408,670,524
Restricted	46,671,181	46,521,689	44,199,190	47,141,404	47,775,291	50,280,585	56,544,224	49,187,538
Unrestricted	82,109,173	98,162,932	105,968,078	117,261,111	132,091,752	141,297,679	153,668,288	145,009,695
Total government 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>	<u>602,867,757</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	214,389,793
Restricted	1,215,473	9,972,160	1,123,828	1,243,708	814,068	686,964	620,850	610,294
Unrestricted	48,753,140	58,774,393	58,750,236	54,511,151	58,875,845	56,449,170	52,522,039	49,036,181
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>	<u>264,036,268</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	623,060,317
Restricted	47,886,654	56,493,849	45,323,018	48,385,112	48,589,359	50,967,549	57,165,074	49,797,832
Unrestricted	130,862,313	156,937,325	164,718,314	171,772,262	190,967,597	197,746,849	206,190,327	194,045,876
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>	<u>\$ 866,904,025</u>

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 10,751,657
Public Safety	32,534,525	32,618,740	34,392,664	39,354,201	43,286,424	45,396,698	47,939,264	53,586,653
Community Development *	3,229,969	3,179,100	4,927,532	3,954,646	7,376,026	5,527,218	5,054,123	12,485,756
Operations Services *	25,340,545	20,549,745	26,402,176	20,522,902	26,053,044	25,333,753	27,080,827	16,774,701
Community Activities	14,558,585	13,468,360	15,963,151	16,483,828	17,783,181	20,576,380	20,866,873	25,180,011
Interest on Long-Term Debt	684,063	838,032	1,444,009	1,445,994	1,276,016	1,232,732	1,202,153	1,159,175
Total Government Activities:	82,710,820	79,997,377	92,021,950	90,605,869	105,917,220	109,665,418	112,072,051	119,937,953
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	20,941,922
Sewer	12,584,936	11,035,016	11,279,697	11,558,840	11,457,129	12,906,227	13,883,619	13,968,779
Golf	44,620	44,621	44,620	346,627	2,810,105	5,904,610	5,737,159	5,249,520
Transit	385,377	452,472	537,470	475,477	518,813	508,760	557,103	708,954
Storm Drain	1,171,779	1,120,130	1,280,061	1,215,224	1,288,566	1,529,192	1,531,754	1,894,830
Cemetery	-	-	-	-	-	90,274	58,407	47,983
Pleasanton Housing Authority	252,932	268,762	230,384	290,944	343,746	397,526	372,050	413,767
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	43,225,755
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	\$ 163,163,708
Program Revenues								
Governmental Activities:								
Charges for Services								
General Government	\$ 537,118	\$ 250,970	\$ 200,296	\$ 535,485	\$ 488,237	\$ 540,607	\$ 539,443	\$ 553,377
Public Safety	12,330,298	11,243,548	11,667,396	12,788,675	13,949,960	14,495,113	15,748,044	15,222,341
Community Development *	637,603	575,923	740,202	1,549,543	3,194,674	599,131	579,215	2,143,307
Operations Services *	3,937,931	3,280,013	4,112,858	3,602,716	3,634,892	3,216,986	3,074,811	115,257
Community Activities	2,614,504	2,906,387	3,313,130	3,300,615	3,425,758	3,899,454	4,005,599	3,794,922
Operating Grants & Contributions	3,605,904	4,080,731	4,652,966	4,674,945	5,695,141	3,641,293	3,090,744	4,238,873
Capital Grants & Contributions	2,961,801	145,189,089	48,129,129	14,099,033	12,350,368	10,113,847	21,607,143	15,900,420
Total Government Activities:	26,625,159	167,526,661	72,815,977	40,551,012	42,739,030	36,506,431	48,644,999	41,968,497
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	14,882,156
Sewer	10,748,529	10,882,458	10,970,513	10,910,064	10,947,581	13,489,859	11,178,802	10,461,999
Golf	81,165	-	3,700	-	2,671,290	4,564,478	4,578,857	4,374,085
Transit	31,601	37,001	34,362	43,077	38,740	39,284	43,130	42,289
Storm Drain	475,591	474,926	380,271	223,505	353,976	363,353	356,724	361,563
Cemetery	-	-	-	-	-	-	-	-
Pleasanton Housing Authority	167,950	257,404	166,371	149,706	231,478	142,447	159,226	175,873
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	10,913,306
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	41,211,271
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	\$ 83,179,768

* In 2008-09 Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operation Services.

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
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)	\$ (77,969,456)
Business-Type Activities:	839,992	10,097,335	1,913,060	3,599,101	5,247,227	8,471,790	115,752	(2,014,484)
Total Net (Expense)/Revenue	\$ (55,245,669)	\$ 97,626,619	\$ (17,292,913)	\$ (46,455,756)	\$ (57,930,963)	\$ (64,687,197)	\$ (63,311,300)	\$ (79,983,940)
General Revenues & Other Changes in Net								
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	\$ 50,414,405
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946	7,484,133	7,534,768	7,257,360	6,031,852
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692	21,029,378	21,060,115	21,130,683	17,535,784
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960	1,538,398	403,401	304,886	236,475
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139	1,578,689	1,727,617	1,783,405	1,829,153
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	6,863,523
Miscellaneous	1,177,429	506,337	1,673,068	1,091,220	641,283	792,476	641,888	663,770
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	144,302
Total Government Activities:	63,459,671	44,658,915	61,956,874	71,664,066	74,721,130	87,111,362	90,535,934	83,719,264
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	1,176,950
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	1,078,280
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)	(144,302)
Total Business-Type Activities	5,411,662	25,448,359	1,917,517	2,924,537	6,665,287	2,386,213	2,626,926	2,110,928
Total Primary Government	68,871,333	70,107,274	63,874,391	74,588,603	81,386,417	89,497,575	93,162,860	85,830,192
Change in Net Assets								
Governmental Activities:	7,374,010	132,188,199	42,750,901	21,609,209	11,542,940	13,952,375	27,108,882	5,749,808
Business-Type Activities:	6,251,654	35,545,694	3,830,577	6,523,638	11,912,514	10,858,003	2,742,678	96,444
Total Primary Government	\$ 13,625,664	\$ 167,733,893	\$ 46,581,478	\$ 28,132,847	\$ 23,455,454	\$ 24,810,378	\$ 29,851,560	\$ 5,846,252

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 1,158,165	\$ 635,649	\$ 392,835	\$ 612,602	\$ 605,264	\$ 1,360,798	\$ 643,256	\$ 1,756,537
Unreserved	15,840,457	15,097,428	18,562,212	22,010,563	23,915,653	24,713,932	24,807,190	23,694,199
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>	<u>25,450,736</u>
All Other Governmental Funds								
Reserved	2,465,319	4,173,006	1,928,604	421,035	411,095	412,354	406,282	404,188
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	22,754,570
Capital Projects Funds	45,769,745	58,888,011	53,976,167	57,038,753	62,842,692	64,812,331	70,880,985	57,965,409
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>	<u>\$ 81,124,167</u>

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:								
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234	\$ 75,235,506	\$ 76,668,560	\$ 74,321,964
Special Assessments	690,772	677,416	187,775	195,654	215,035	190,362	196,784	194,311
Licenses	13,273	12,876	12,050	12,906	11,709	11,259	11,591	11,536
Permits	2,011,839	1,922,531	2,401,186	2,275,465	2,031,209	1,950,100	1,701,275	974,211
Fines and Forfeitures	533,572	562,417	689,309	630,864	575,524	526,208	557,615	471,606
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	3,840,218
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526	6,171,443	5,933,046	5,916,548	5,585,376
Franchises	1,740,281	1,489,967	1,403,790	1,465,139	1,578,689	1,727,617	1,783,405	1,829,153
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506	13,747,992	13,268,001	14,320,932	14,409,775
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045	3,685,255	3,824,811	6,403,102	4,747,036
Plan Check fees	1,176,506	774,429	1,126,924	924,146	1,119,904	924,558	995,038	483,500
Reimbursements	741,472	888,428	1,729,241	1,520,518	1,786,422	2,147,204	2,043,745	2,142,775
Contributions and Donations	309,918	721,167	6,023,264	4,091,889	3,417,226	748,144	6,027,436	1,145,881
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421	3,520,069	3,313,780	3,836,587	3,707,092
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010	3,318,406	3,659,920	3,731,918	3,708,827
	<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>	<u>117,573,261</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	12,127,645
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855	43,826,861	47,626,223	50,030,665	50,354,468
Community Development *	3,316,758	3,482,879	5,484,984	3,611,279	7,560,598	5,250,750	5,841,161	12,453,559
Operations Services *	18,981,967	16,178,057	13,937,835	14,463,138	15,413,787	15,780,590	15,791,053	8,006,599
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659	16,209,390	17,850,952	18,580,800	17,621,844
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422	8,486,034	16,521,137	18,073,711	30,476,317
Debt Service:								
Principal	1,185,000	4,695,000	1,325,000	755,000	1,330,000	1,345,000	1,385,000	1,425,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714	1,239,890	1,204,063	1,167,388	1,129,603
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>	<u>133,595,035</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>	<u>(16,021,774)</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	20,000
Proceeds from Sale of Bonds	-	-	-	4,040,000	-	-	-	-
Payment to Escrow Agents	-	-	-	(4,755,000)	-	-	-	-
Transfers In	7,348,087	13,359,981	11,659,951	16,600,296	8,426,644	17,317,214	11,085,480	11,193,907
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)	(16,429,835)	(9,972,337)	(9,361,054)
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>	<u>1,852,853</u>
Net Change in Fund Balances	<u>1,016,599</u>	<u>8,978,999</u>	<u>1,237,706</u>	<u>7,196,344</u>	<u>6,902,828</u>	<u>3,333,007</u>	<u>8,566,664</u>	<u>(14,168,921)</u>
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	120,743,824
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>	<u>\$ 106,574,903</u>
Debt Service as a Percentage of Noncapital Expenditure	2.42%	7.16%	3.01%	2.65%	2.63%	2.37%	2.26%	2.32%

* In 2008-09 Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operations Services.

Revenue Capacity Information

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

Direct and Overlapping Property Tax Rates - Last Eight Fiscal Years

Principal Property Tax Payers - Current Year & Ten Years Ago

Property Tax Levies and Collections - Last Eight Fiscal Years

City of Pleasanton
Assessed Value and Estimated Actual Value of Taxable Property
Last Eight 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%
2009	16,703,488,099	1,520,242	667,916,119	17,372,924,460	0.322%

Source: Alameda County Office of the Auditor-Controller

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
County Wide Levy	1.0000	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	0.0000
Pleasanton Unified School District	0.0870	0.0759	0.0726	0.0935	0.0854	0.0721	0.0756	0.0777
Community College District	0.0000	0.0000	0.0000	0.0186	0.0158	0.0159	0.0164	0.0183
Flood Zone 7	0.0157	0.0158	0.0145	0.0114	0.0130	0.0151	0.0150	0.0169
Bay Area Rapid Transit District	0.0000	0.0000	0.0000	0.0000	0.0048	0.0050	0.0076	0.0090
East Bay Regional Park District	0.0072	0.0065	0.0057	0.0057	0.0235	0.0085	0.0080	0.0100
Total	1.1099	1.0982	1.0928	1.1292	1.1425	1.1166	1.1226	1.1319

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**

2009			2000		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Kaiser Foundation Health Plan	\$ 236,387,570	1.35%	Stoneridge Properties	\$ 139,377,194	1.59%
Stoneridge Properties	222,006,753	1.27%	Carr Realty Corporation	120,400,842	1.37%
Pleasant Properties LLC	205,277,573	1.17%	PeopleSoft Inc.	114,553,257	1.30%
6200 Stoneridge Mall Road Investors	187,618,953	1.07%	Principal Mutual Life Insurance Company	88,599,906	1.01%
CT Stoneridge LLC	156,568,980	0.90%	Clorox Services Company	74,308,880	0.85%
Applera Corporation	142,586,338	0.82%	Excel Realty Trust Inc.	71,615,851	0.82%
Safeway, Inc	138,571,411	0.79%	Lease Plan North America	66,978,985	0.76%
Stoneridge Residential LLC	138,217,900	0.79%	Hacienda Plaza Associates LLC	66,270,700	0.75%
Tishman Speyer Archstone Smith Hacienda	114,986,547	0.66%	Providian National Bancorp	56,980,471	0.65%
NNN Britannia Business 111 LLC	108,227,160	0.62%	Stoneridge Associates	56,305,095	0.64%
	<u>\$ 1,650,449,185</u>	<u>9.44%</u>		<u>\$ 855,391,181</u>	<u>9.74%</u>

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

City of Pleasanton
Property Tax Levies and Collections
Last Eight Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Tax Collections
		Amount	Percent of Levy	
2002	\$ 29,208,610	\$ 28,677,731	98.18%	\$ 692,648
2003	32,064,712	30,670,848	95.65%	932,823
2004	33,131,453	32,706,909	98.72%	1,000,586
2005	41,714,177	40,792,806	97.79%	886,402
2006	44,899,643	44,721,215	99.60%	955,480
2007	52,176,573	50,841,540	97.44%	856,922
2008	55,187,206	52,552,853	95.23%	1,342,062
2009	55,938,376	53,700,031	96.00%	2,219,607

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

Delinquent Tax Collections in subsequent years is based on revenues received from the County of Alameda in the fiscal year. The City does not receive information from the County that specifies the amounts with the levied year. The Delinquent Tax Collections include penalties and interest assessed on the previously unpaid amounts.

Source: Alameda County Office of the Auditor-Controller

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Debt Capacity Information

Ratios of Outstanding Debt by Type - Last Eight Fiscal Years

Ratio of General Bonded Debt Outstanding - Last Eight Fiscal Years

Direct and Overlapping Debt - Year Ended June 30, 2009

Legal Debt Margin Information - Last Eight Fiscal Years

Pledged-Revenue Coverage - Last Eight Fiscal Years

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

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	General Obligation Bonds	Certificates of Participation	Notes & Mortgage Payable	
2002	\$ -	\$ 9,985,000	\$ -	\$ 9,985,000
2003	-	34,180,000	-	34,180,000
2004	-	33,360,000	-	33,360,000
2005	-	31,890,000	75,000	31,965,000
2006	-	30,560,000	1,595,000	32,155,000
2007	-	29,215,000	1,595,000	30,810,000
2008	-	27,830,000	1,822,487	29,652,487
2009	-	26,405,000	5,242,487	31,647,487

City of Pleasanton
Ratios of Outstanding Debt by Type, Continued
Last Eight 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	\$ -	\$ 20,592,470	0.6%	\$316.06
	4,120,930	4,970,738	473,239	-	43,744,907	1.3%	\$663.19
	3,609,968	4,368,019	438,318	-	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
	1,415,000	975,000	226,105	149,158	34,412,750	n/a	\$496.40

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Eight 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
2009	0	0	0	0.000%	0

**City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2009**

2008/09 Net Assessed Valuation

\$17,372,884,460

	Percentage Applicable (1)	Outstanding Debt 06/30/09	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	3.97%	\$ 441,360,000	\$ 17,504,338
Chabot-Las Positas Community College District	21.29%	470,174,226	100,114,198
Dublin Joint Unified School District	0.01%	139,318,934	11,146
Livermore Valley Joint Unified School District	2.09%	111,545,000	2,334,637
Pleasanton Unified School District	97.36%	107,519,429	104,676,615
Sunol Glen Unified School District	0.00%	1,454,789	15
City of Pleasanton 1915 Act Bonds	100%	26,600,000	26,600,000
East Bay Regional Park District	5.85%	125,850,000	7,358,450
Total Overlapping Tax and Assessment Debt:			\$ 258,599,399
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	10.00%	\$445,402,000	\$44,531,292
Alameda County Pension Obligations	10.00%	203,020,721	20,298,012
Chabot-Las Positas Community College District Certificates of Participation	21.29%	4,830,000	1,028,452
Pleasanton Unified School District Certificates of Participation	97.36%	17,700,000	17,232,012
City of Pleasanton General Fund Obligations	100%	26,405,000	26,405,000
Total Direct and Overlapping General Fund Obligation Debt:			\$ 109,494,768
Combined Total Debt			\$ 368,094,167 (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 (\$26,405,000).....	0.15%
Total Overlapping Tax and Assessment Debt.....	1.48%
Combined Total Debt.....	2.11%

State School Building Aid Repayable as of 06/30/09: \$ 0

Source: California Municipal Statistics, Inc.

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Net 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	\$ 17,372,884,460
Conversion Percentage	25%	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	4,343,221,115
Debt Limit Percentage	15%	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	651,483,167
Amount of Debt Subject to Limit	<u>970,000</u>	<u>505,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$ 408,742,488</u>	<u>\$ 437,872,427</u>	<u>\$ 467,700,054</u>	<u>\$ 495,330,807</u>	<u>\$ 533,286,147</u>	<u>\$ 579,597,781</u>	<u>\$ 619,510,917</u>	<u>\$ 651,483,167</u>
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%	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 Eight 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	
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
2008-09	10,944,451	9,605,229	1,339,222	595,000	56,434	651,434	2.06

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	
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
2008-09	16,605,569	15,629,200	976,369	670,000	38,088	708,088	1.38

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 Eight Calendar Years

Principal Employers - Current Year and Five Years Ago

City Employees by Function - Last Eight Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Eight 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	4,427,598,000	64,573	2.3%
2008	69,324	N/A	N/A	3.1%

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

2009			2004		
Employer	Number of Employees	Percent of Total Employment	Employer	Number of Employees	Percent of Total Employment
Safeway	3,200	6.12%	PeopleSoft	3,928	6.77%
Kaiser Permanente	2,155	4.12%	Safeway Inc	1,760	3.03%
Oracle	1,500	2.87%	Providian Financial	1,560	2.69%
District	1,270	2.43%	A T & T	1,407	2.43%
Robert Half International	1,000	1.91%	District	1,350	2.33%
Valley Care Medical Center	850	1.63%	Clorox Services Company	956	1.65%
Macy's	705	1.35%	Valley Care Medical Center	925	1.59%
EMC Corporation	685	1.31%	Robert Half International	920	1.59%
Insurance	652	1.25%	Pro Business	820	1.41%
Incorporated	550	1.05%	Documentum, Inc.	769	1.33%
City of Pleasanton	510	0.98%	E-Loan	750	1.29%
Roche Molecular systems Inc.	425	0.81%	Macy's	750	1.29%
AT&T	415	0.79%	Kaiser Permanente	530	0.91%
Clorox Services Company	412	0.79%	Farmer's Insurance	480	0.83%
Fireside Bank*	380	0.73%	City of Pleasanton	438	0.76%

"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

Previously PeopleSoft
Previously Documentum

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

Function	Full-Time and Part-Time and Limited Term Employees as of June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
General Government	44	44	44	44	44	45	45	45
Public Safety (1)	183	182	182	182	185	187	186	186
Community Development (2)	20	20	18	18	20	20	22	60
Operations services (2)	91	89	76	76	76	75	76	36
Community Activities	86	86	85	85	85	85	85	87
Utilities	35	35	35	35	35	35	35	37
Total	459	456	440	440	445	447	449	451

- (1) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department personnel per Joint Powers Agreement.
- (2) In 2008-09 Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operation Services.

Source: City of Pleasanton Budget

Operating Information

Operating Indicators by Function - Last Eight Fiscal Years

Capital Asset Statistics by Function - Last Eight Fiscal Years

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Police:								
Arrests	2,574	3,000	2,450	2,401	2,281	2,414	2,563	2,772
Parking Citations Issued	1,447	1,712	1,866	1,398	1,285	1,175	1,019	911
Administrative Citations Issue	125	84	210	99	181	129	150	92
Fire:								
Number of Responses (Pleasanton only)	3,833	4,011	4,055	4,256	4,547	4,886	5,129	5,007
Number of Inspections (Pleasanton only) (1)	447	1,003	923	1,181	1,465	1,701	1,604	1,269
Library:								
Annual Circulation	845,266	969,833	969,483	1,047,607	1,109,541	1,237,543	1,303,995	1,433,876
Gate Count (# of people through the doors)	425,081	467,867	467,696	465,978	459,138	472,633	498,614	530,738
Finance								
Business Licenses Issued	7,828	8,272	9,362	10,529	10,933	9,206	9,368	8,783
Utility Bills Generated	122,094	123,750	128,172	128,256	128,838	131,027	131,290	131,500
Parks & Community Services:								
Paratransit Trips (2)	22,560	23,717	24,867	22,898	20,974	19,122	18,656	22,122
Golf Rounds Played (3)	0	0	0	0	45,229	73,365	72,092	68,294
Aquatics Youth Programs	9,193	8,235	16,523	17,364	16,002	16,838	17,756	21,185
Youth Sports, Camps, Classes and Leagues (4)	N/A	6,556	5,639	7,039	9,299	11,755	12,782	12,683
Audiences & Performers at Amador Theater (5)	68,805	69,200	70,400	70,195	66,354	70,900	42,500	50,100
Building Department:								
Plan checks	941	982	1,131	1,217	1,110	989	438	707
Permits Issued	6,553	6,684	7,473	7,314	7,224	5,616	3,705	2,605
Operations Services:								
Streets Resurfacing (miles)	11	12	13	11	10	10	9	9
Water:								
New Water Connections	182	204	283	279	180	113	52	21
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	5,479,058,112
Wastewater:								
New Sewer Connections	310	213	325	258	201	185	65	24

(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. 2009: 16,578 Door-to-Door service; 5,544 Same Day Fixed Route service.

(3) Callippe Preserve opened November 2005

(4) Gingerbread facility closed during part of year due to major facility and playground renovations. Limited summer camps held at alternate site.

(5) No Civic Arts Holiday Show in 2006. Amador Theater closed for 5 months in 2008 due to major renovations of the theatrical lighting system. 2009: Decline in ticket sales. Loss of big renters cancelling events or moving to different venues.

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

	Fiscal Year Ending June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
Police:								
Stations	1	1	1	1	1	1	1	1
Fire:								
Stations (Pleasanton only)	4	4	5	5	5	5	5	5
Library:								
Branches	1	1	1	1	1	1	1	1
Parks & Community Services:								
Parks (acres developed and maintained)	338	338	351	378	378	378	378	385
Municipal Golf Courses	0	0	0	0	1	1	1	1
Aquatic Centers	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1
Operations Services:								
Streets (miles)	189	189	194	194	198	206	206	206
Streetlights	5,114	5,136	5,208	5,209	5,311	5,320	5,379	5992
Traffic Signals	75	79	80	86	87	92	93	93
Water:								
Water mains (miles)	303	306	310	313	314	318	318	320
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M	37.0M	37.0M	37.0M	37.0M
Wastewater:								
Sanitary Sewers (miles)	239	241	245	248	249	253	253	255
Storm Sewers (miles)	175	176	179	182	183	188	188	191

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