

# CITY OF PLEASANTON CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010

# **City of Pleasanton**

Pleasanton, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2010*

*Prepared by the Finance Department*

# City of Pleasanton

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THE CITY OF



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

January 13, 2011

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2010. The City of Pleasanton is required to annually publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Pleasanton, California, for the fiscal year ended June 30, 2010.

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

Caporicci & Larson, Inc., a subsidiary of Marcum, LLP, 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, 2010, 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. Caporicci & Larson, 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, 2010, are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the City's financial statements, but also on the City's internal

controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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

### **Profile of the Government**

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

Pleasanton occupies a land area of 24.2 square miles and serves a residential population of 70,711. Pleasanton is a full service general law city providing police, fire, sewer, water, street, economic development, planning, building and 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 directors.

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

The biennial budget serves as the foundation for the City of Pleasanton's financial planning and control. The budget process begins in January in odd numbered years with each department receiving a budget packet. The City Manager meets with each department director to discuss their budget requests and make adjustments where necessary. Prior to July 1 (of each odd numbered year), the City Manager submits to the City Council a proposed operating budget for the coming two fiscal years. The operating budget includes proposed expenditures and the financing sources. Public hearings are conducted to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget



review, including approved additions or changes, is presented to the City Council by the City Manager at mid-year of each fiscal year (January) and mid-term (June) of the two fiscal years. Any changes as a result of this review 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 GAAP in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize budgetary transfers from one account to another within the same fund.

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

The City's geographic location is a major factor affecting its economic position. The City is located at the intersection of two interstate freeways (I-580 and I-680), linking Pleasanton to Sacramento to the north, San Francisco/Oakland to the west, the Silicon Valley to the south and the San Joaquin Valley to the east. The Bay Area Rapid Transit system (BART) has two stations (one of which is scheduled to open in February 2011) located in the City and provides service from Pleasanton to San Francisco/Oakland and the surrounding areas. The Altamont Commuter Express (ACE) provides commuter service between the San Joaquin Valley and Silicon Valley, stopping in Pleasanton.

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

Pleasanton's business community consists of approximately 52,401 employees working within the more than 22 million square feet of commercial, office and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate 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 2010, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at \$119,695.

The second and third quarters of 2010 were very positive for the Pleasanton commercial office market. Xradia Inc., an x-ray imaging products and systems company, located in to 37,143 square feet of space that earlier in 2010 was vacated by Robert Half. Callidus Software relocated its operation from San Jose into 32,000 square feet in Pleasanton Corporate Commons on

Stoneridge Mall Road, joining with software company Workday to create a growing list of technology companies in that business center. In nearby Stoneridge Corporate Plaza, global telecommunications company Erickson expanded its space to 42,000 square feet. Safeway Corporation continued to expand its footprint in Pleasanton as it purchased and renovated to Silver LEED certification level another 145,000 square foot building. Also, Patelco Credit Union announced it would be moving its corporate headquarters from San Francisco to Pleasanton, absorbing another 55,000 square feet of commercial office space.

Another significant addition to the Pleasanton market is the leasing of a five-building, 287,000 square foot campus by The Clorox Company, which received concurrent approval from the City to add a 60,000 square foot research and development building to the project. In early 2011 Clorox will relocate its current 300+ Pleasanton employees and an additional 500 employees from its Oakland operation to the Pleasanton campus to create the company's new innovation center.

In 2010, Pleasanton's retail market also began to gain momentum. Notable activity included the opening of 99 Ranch Market in a 55,000 square foot space in Rose Pavilion, which also has City approval for a 15,585 square foot Fresh & Easy which is expected to open in April 2011. A 5,000 square foot building in downtown Pleasanton was purchased by regional developer Main Street Property Services, Inc. and will open with its first tenant in early 2011. Finally, Stoneridge Shopping Center brought in several new stores including national retailers Guess, Michael Kors and Brighton Collectibles.

The following are the newly constructed or recently approved business developments in the City of Pleasanton:

Plans were approved by the City Council in September 2010 to relocate and expand the operations of the Pleasanton Auto Mall to a 37-acre site at El Charro Road and I-580, locally referred to as Staples Ranch. The property will be annexed in to the Pleasanton city limits in early 2011. In addition to increasing the sales space and inventory, the operation looks to add additional auto dealers, further contributing to the City's tax revenues. The project also includes a senior housing and intermediary care facility to be developed by Continuing Life Care, a 5-acre neighborhood park, an 11-acre site identified for a commercial/retail center and a 17-acre community park on which the National Hockey League San Jose Sharks organization has proposed to build and operate a four-sheet ice rink facility and restaurant.

Plans were approved by the City Council in October 2010 to allow South Bay Development Company to develop 12 acres of its 39-acre site at the intersection of Interstate 680 and Bernal Avenue. Plans allow for the development of a 130,000 square foot retail center anchored by a lifestyle Safeway grocery store (58,000 square feet) with an additional 72,000 square feet of additional retail. The remaining 27 acres are entitled for a 588,781 square foot office complex with linkages to the retail center and nearby Bernal Community Park.

Construction of a second Dublin/Pleasanton Bay Area Rapid Transit (BART) station near the Stoneridge Shopping Center with an adjacent parking structure is anticipated to open February 2011. On the neighboring property, a mixed-use project by Windstar Development that includes 350 apartments and 12,000 square feet of retail space also has received City approval.

Oracle recently constructed and now occupies a five story 186,000 square foot building and new 4-level parking structure next to the existing building on its Pleasanton campus, further solidifying the company's commitment to retain a strong presence in Pleasanton.

Roche Molecular Systems, a worldwide pharmaceutical and medical technology company, completed a 138,000 square foot Silver LEED certified research and development expansion at its 33-acre Hacienda Business Park campus. Plans call for the addition of a 39,000 square foot administration building in the near future.

The Simon Property Group, the nation's largest shopping mall owner and owner of the Stoneridge Shopping Center (Mall), is in discussion with Nordstrom department store to build a new 144,000 square foot prototype store at the Mall, which would then allow the building that Nordstrom currently occupies to be converted to smaller retail storefronts adding to the center's retail offerings. Also, the Mall has approval for an additional 205,000 square feet of expansion.

The CarrAmerica Corporate Center in the Hacienda Business Park is proposing a 480,270 square foot expansion of its existing seven-building campus, which already includes more than a million square feet of office space. The plans include three new office buildings along with a 130-room hotel with attached retail to complement the conference center.

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 2030, respectively, for both residential and commercial development. In any event, as the City approaches build-out, revenue growth will naturally slow.

### **Major Initiatives**

Measure P, passed by Pleasanton voters in November 2006, allows the City Council to implement a land use plan for the development of 318 acres of parkland to include lighted sports fields, a children's play area, an outdoor amphitheatre, a cultural arts facility, a Youth Center and significant open space parkland. Phase I, including a playground and two baseball fields, opened in September of 2009.

The Firehouse Arts Center opened in September 2010. The project encompasses the adaptive reuse of the historical 1929 Firehouse building located in the downtown. The historic building, along with newly constructed additions, includes a small theater (240 seats), an art gallery and classrooms. The Firehouse Arts Center project is considered a vital addition to the economic sustainability of the City's historic downtown.

The City of Pleasanton 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.

Finally, the Federal Highway Administrative Grant of \$1.8 million was awarded for the resurfacing of local streets and roads. These funds were targeted for resurfacing portions of Stoneridge Drive, Bernal Avenue and Santa Rita Road. The resurfacing projects were completed in 2010.

### **Long Term Financial Policies and Planning**

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 reserve (equal to 10% of General Fund revenues) for economic uncertainties in the General Fund, currently totaling \$8.4 million at June 30, 2010. Also at June 30, 2010, the City has \$12.2 million in the Temporary Recession Reserve, \$52.3 million in capital project reserves set aside for future projects, and \$43.2 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 \$41.9 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.

### **Awards**

In a nod to the quality of the community, Pleasanton was named among the top 100 Best Places to Live on Money magazine's list for 2010. Ranked 63rd, Pleasanton was the only city in the

Bay Area and one of only four California cities to make the list after receiving high marks for the city's median income, highly educated workforce, low crime rate, excellent schools and numerous recreational programs and facilities.

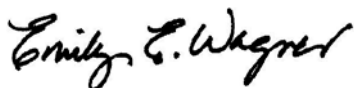
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pleasanton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the thirteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

### **Acknowledgments**

The preparation of the 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, and Charly Yang, Accounting Manager, who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Cheryl Caraballo, Annette Gibson, Juan Gomez, Kathy Kitterman, Margaret Lyons, Mike Patrick, Susan Rutkowsky and Melissa Winsby.

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,



Emily E. Wagner  
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, 2009

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, 2010**

**ELECTED OFFICIALS:**

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

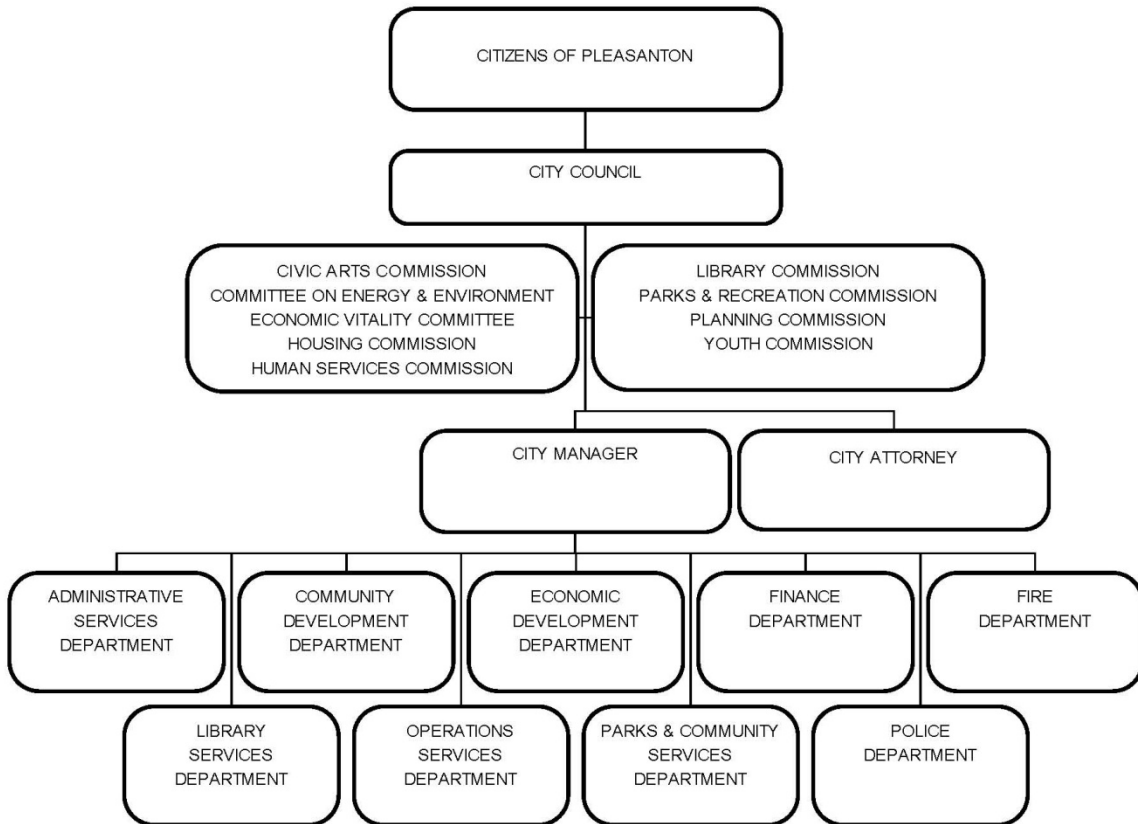
**ADMINISTRATIVE PERSONNEL:**

City Manager	Nelson Fialho
City Attorney	Jonathan Lowell
Assistant City Manager	Julie Yuan-Miu
Assistant City Manager	Steven Bocian
Director of Finance	Emily Wagner
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	James Miguel
Chief of Police	Michael Fraser
Director of Economic Development	Pamela Ott
City Clerk	Karen Diaz

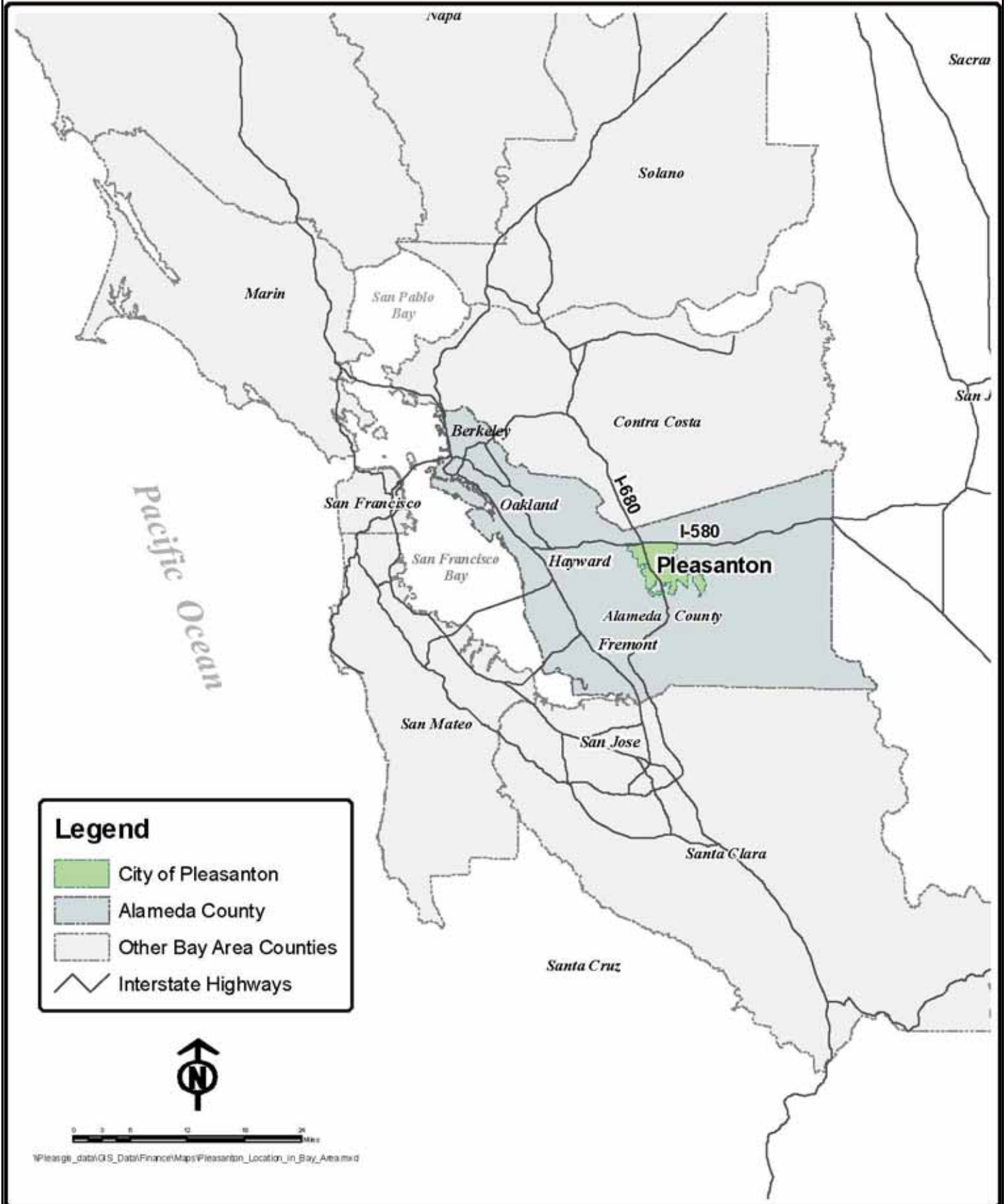


# CITY OF PLEASANTON

## Organization Chart as of June 30, 2010



# Pleasanton, California.





Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

## 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 City of Pleasanton, California (City), as of and for the year ended June 30, 2010, 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 represent 0.2 percent and 12.9 percent, respectively, of the assets and revenues of the City's business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

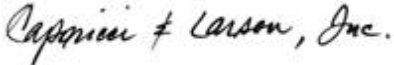
In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 22 and 89 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
January 13, 2011

**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, 2010 (FY10). 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

- **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$881.1 million (net assets). Of this amount, \$171.5 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$52.5 million is restricted for specific purposes (restricted net assets), and \$657.1 million is invested in capital assets, net of related debt.
- The City's total net assets decreased by \$20.6 million during the fiscal year, a 2.3% decrease. Of this amount, \$10.6 million was attributable to governmental activities, a 1.7% decrease, and \$10.0 million was due to business-type activities, a 3.8% decrease.

- **FUND FINANCIAL STATEMENTS**

- The City's governmental funds reported ending fund balances of \$101.7 million, a decrease of \$4.9 million or 4.6% in comparison with the prior year.
- The General Fund unreserved fund balance is \$25.3 million, of which \$8.4 million is designated for economic uncertainties, \$12.2 million is designated for temporary recession, \$2.7 million is designated for carryover appropriations and \$2.0 million is designated for golf debt service.

### 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 operations services were financed in the short-term, as well as what remains for future spending.
- **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
- **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.

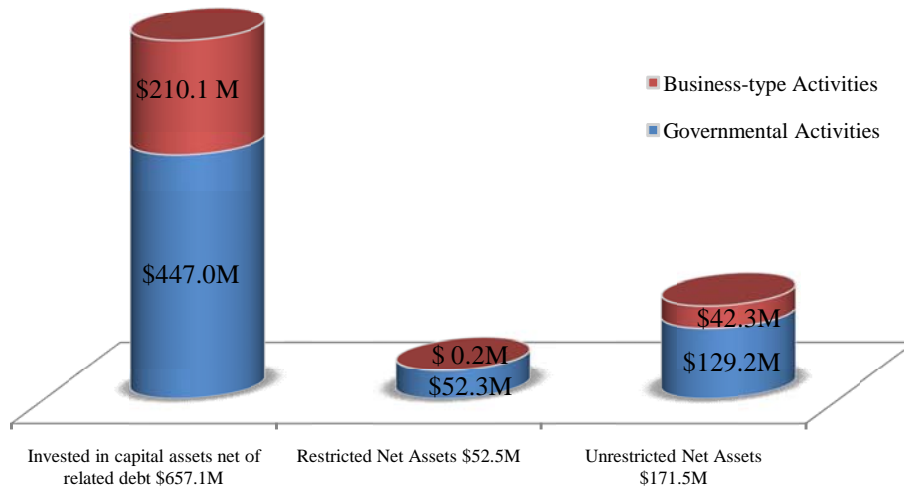
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for the fiscal years 2009 and 2010. 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, 2009 (2009) and June 30, 2010 (2010):

City of Pleasanton Net Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2009	2010	2009	2010	2009	2010	2009 to 2010
Current and other assets	\$210.3	\$203.1	\$53.3	\$47.8	\$263.6	\$250.9	-4.8%
Capital assets	476.8	475.0	217.1	211.9	693.9	686.9	-1.0%
Total assets	<b>687.1</b>	<b>678.1</b>	<b>270.4</b>	<b>259.7</b>	<b>957.5</b>	<b>937.8</b>	<b>-2.1%</b>
Long-term liabilities	39.2	39.9	2.8	1.8	42.0	41.7	-0.7%
Other liabilities	8.8	9.7	5.0	5.3	13.8	15.0	8.7%
Total liabilities	<b>48.0</b>	<b>49.6</b>	<b>7.8</b>	<b>7.1</b>	<b>55.8</b>	<b>56.7</b>	<b>1.6%</b>
Net Assets:							
Invested in capital assets net of related debt	444.9	447.0	214.4	210.1	659.3	657.1	-0.3%
Restricted	49.2	52.3	0.6	0.2	49.8	52.5	5.4%
Unrestricted	145.0	129.2	47.6	42.3	192.6	171.5	-11.0%
Total net assets, as restated	<b>\$639.1</b>	<b>\$628.5</b>	<b>\$262.6</b>	<b>\$252.6</b>	<b>\$901.7</b>	<b>\$881.1</b>	<b>-2.3%</b>

## Statement of Net Assets as of June 30, 2010



**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 \$881.1 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 \$171.5 million (19.4 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 \$129.2 million of the unrestricted net assets of the City and business-type activities account for \$42.3 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 \$657.1 million (74.6 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 was decreased by \$2.3 million (.3 percent) in 2010. Additions totaled \$25.1 million, of which \$1.0 million were donated infrastructure assets. Additions included depreciable assets additions such as infrastructure, building, vehicle and equipment (\$15.1 million) and increases in construction in progress (\$9.9 million). These additions were offset by depreciation (\$21.4 million), completed construction in progress projects (\$10.7 million) and retirements of existing capital assets (\$.5 million). At the same time, debt principal was reduced due to normal amortizations.

- The remaining net assets of \$52.5 million (6.0 percent of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$34.1 million restricted for the construction of major capital projects and for capital maintenance, \$.7 million to pay for upcoming debt payments, and \$17.7 million for special projects and community development.

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

<b>City of Pleasanton</b>							
<b>Changes in Net Assets</b>							
<b>(in millions of dollars)</b>							
	Governmental		Business-type		Total		Total % Change
	Activities		Activities		2009 2010		
	2009	2010	2009	2010	2009	2010	
Revenues:							
Program revenues:							
Charges for Services	\$21.8	\$21.4	\$30.3	\$29.5	\$52.1	\$50.9	-2.4%
Operating grants & contributions	4.2	2.4	-	-	4.2	2.4	-44.5%
Capital grants & contributions	15.9	7.7	10.9	0.7	26.8	8.4	-68.9%
Interfund charges	1.6	0.9	-	-	1.6	0.9	-42.2%
General revenues:							
Property taxes	50.4	49.7	-	-	50.4	49.7	-1.4%
Sales taxes	17.5	15.4	-	-	17.5	15.4	-12.1%
All other taxes	8.1	8.1	-	-	8.1	8.1	0.3%
All other general revenues	7.5	2.4	2.3	1.4	9.8	3.8	-60.8%
Total revenues	<u>\$127.1</u>	<u>\$108.0</u>	<u>\$43.5</u>	<u>\$31.6</u>	<u>\$170.6</u>	<u>\$139.6</u>	<u>-18.2%</u>
Expenses:							
General government	12.4	15.4	-	-	12.3904	15.4	24.1%
Public safety	53.6	53.9	-	-	53.6	53.9	0.6%
Operations services	17.6	17.0	-	-	17.6	17.0	-3.5%
Community activities	24.2	20.6	-	-	24.2	20.6	-14.9%
Water	-	-	20.7	18.1	20.7	18.1	-12.5%
Sewer	-	-	12.8	13.7	12.8	13.7	7.1%
Golf	-	-	5.2	5.5	5.2	5.5	5.3%
Other	13.6	12.1	2.9	3.0	16.6	15.1	-8.7%
Interfund charges	-	-	1.6	0.9	1.6	0.9	-42.2%
Total expenses	<u>\$121.5</u>	<u>\$119.0</u>	<u>\$43.2</u>	<u>\$41.2</u>	<u>\$164.7</u>	<u>\$160.2</u>	<u>-2.8%</u>
Revenues over (under) expenses	<u>\$5.6</u>	<u>(\$11.0)</u>	<u>\$0.2</u>	<u>(\$9.5)</u>	<u>\$5.8</u>	<u>(\$20.6)</u>	<u>-452.9%</u>
Transfer In/(Out)	0.1	0.4	(0.1)	(0.4)	-	-	0.0%
Change in net assets	\$5.7	(\$10.6)	\$0.1	(\$10.0)	\$5.8	(\$20.6)	-452.9%
Net assets, beginning of year	597.1	639.1	263.9	262.6	861.0	901.7	4.7%
Net assets, end of year, as restated	<u>\$639.1</u>	<u>\$628.5</u>	<u>\$262.6</u>	<u>\$252.6</u>	<u>\$901.7</u>	<u>\$881.1</u>	<u>-2.3%</u>

## Changes in Net Assets

*Governmental Activities* decreased the City's net assets by \$10.6 million. This change is primarily the result of the following:

- The cost of governmental activities was \$119.0 million including expenses for general government, public safety, operation services, and community activities. The expenses do not reflect capital outlays but rather include \$12.4 million in depreciation expenses.
- Program revenues only provided \$32.3 million of the resources to offset the cost of governmental activities.

- Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, and library fees totaled \$21.4 million.
- Capital grants and contributions provided \$7.7 million, including development related fees of \$1.5 million, grants and subventions of \$4.3 million, and developer contributions of \$1.6 million.
- Operating grants and contributions totaled \$2.4 million.
- Interfund charges totaled \$0.9 million.
- General revenues and transfers totaled \$76.1 million and included:
  - Tax revenues of \$73.3 million.
  - Investment income (not restricted to specific programs) of \$1.8 million.
  - Miscellaneous revenues and transfers between governmental activities and business-type activities of \$1.0 million.

*Business-type activities* decreased the City's net assets by \$10.0 million.

- The cost of business activities was \$41.2 million including expenses for Water, Sewer, Golf, Transit, Storm Water, Cemetery and Pleasanton Housing Authority. These expenses do not reflect capital outlays but rather include \$9.0 million in depreciation expenses.
- Program revenues only provided \$30.2 million of the resources to offset the cost of business activities.
- General revenues and transfers were netted to \$1.0 million.

#### Year to Year Variations in Revenues and Transfers

The City's total revenues were \$139.6 million for the year ended June 30, 2010, a decrease of \$31.0 million from the prior year. Revenues from governmental activities totaled \$108.0 million, a decrease of \$19.1 million. This is mostly due to decrease in capital grants and contributions of \$8.2 million, in sales taxes of \$2.1 million and in all other general revenues of \$5.1 million. Revenues from business-type activities totaled \$31.6 million, a decrease of \$11.9 million in comparison to the prior year. This is mostly due to a decrease of \$10.2 million in capital grant and contributions.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$62.6 million (44.7 percent of the total revenues). Program revenues made up 29.9 percent of governmental activities revenue. In the prior year, program revenues accounted for 34.2 percent of governmental activities revenue. Program revenues accounted for 95.5 percent of business-type activities revenue, compared to 94.8 percent in 2009. Interfund charges reflect transactions between funds. The year to year change was 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 \$77.1 million (55.3 percent of the total revenues), and decreased by 10.2 percent from fiscal year 2009. The majority of general revenues came from

property, sales, and other taxes (95.0 percent of general revenues). Only 1.8 percent of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$0.4 million this year, compared to \$.1 million in 2009.

### Year to Year Variations in Expenses

City expenses for the year totaled \$160.2 million. Governmental activities incurred \$119.0 million in expenses (74.3 percent of the total), and business-type activities incurred \$41.2 million in expenses during the year (25.7 percent of the total).

Expenses were down \$4.5 million (2.8 percent overall) in 2010 compared to 2009. Governmental activities decreased \$2.5 million (2.1 percent), due mostly to a decrease in community activities expenses related to capital asset of \$3.6 million. Business-type activities decreased \$2.0 million (4.6 percent) due mostly to a decrease in water and sewer fund expenses.

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

### **FUND FINANCIAL ANALYSIS**

The City uses *fund accounting* to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available to provide services and capital project construction. In particular, unreserved fund balance may serve as a useful measure of a government's net spendable resources.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$101.7 million, a decrease of \$4.9 million in comparison with the prior year. Approximately \$101.3 million of the amount constitutes *unreserved fund balance*.

The net decrease in fund balance is mostly due to decreases in the Capital Project Funds of \$5.6 million. Miscellaneous Capital Improvement Program fund balance was decreased by \$6.9 million (net of transfer revenues of \$0.2 million) largely due to Firehouse Arts Center project of \$5.7 million and Firehouse Arts Center Parking Improvement project of \$1.3 million.

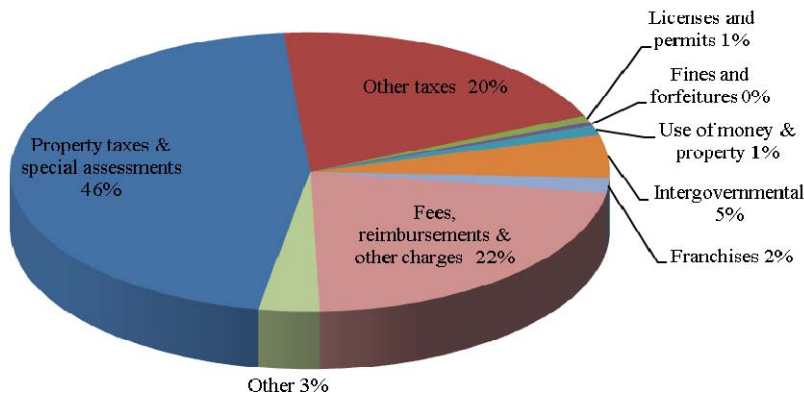
Temporary Recession reserves in the General Fund were increased to provide a cushion against any potential further downturn in the economy. Temporary Recession reserves were increased \$1.3 million while Economic Uncertainties reserves were reduced by \$.5 million. The remainder of the governmental funds combined fund balance (\$0.4 million) is *reserved* to indicate that it is *not* available for new spending because it has been 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 2009		FY 2010		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$50.6	43.0%	\$49.9	46.0%	-0.7	-1.3%
Other taxes	23.9	20.3%	21.7	20.0%	-2.2	-9.3%
Licenses and permits	1.0	0.8%	0.9	0.8%	-0.1	-12.3%
Fines and forfeitures	0.5	0.4%	0.5	0.4%	0.0	-3.9%
Use of money & property	3.9	3.3%	1.2	1.1%	-2.7	-68.5%
Intergovernmental	5.6	4.8%	5.4	5.0%	-0.2	-3.6%
Franchises	1.8	1.6%	2.0	1.8%	0.1	6.9%
Fees, reimbursements & other charges	26.6	22.6%	24.1	22.2%	-2.5	-9.5%
Other	3.7	3.2%	3.1	2.8%	-0.7	-17.6%
<b>Total</b>	<b>\$117.6</b>	<b>100.0%</b>	<b>\$108.6</b>	<b>100.0%</b>	<b>-9.0</b>	<b>-7.6%</b>

**Revenues by Source  
Governmental Funds**



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

- **Other taxes** decreased by \$2.2 million (9.3 percent). The City will continue to face lower sales tax revenues until economic conditions improve. Sales tax revenues declined \$2.1 million, a 12.1 percent decrease compared to the prior year.
- **Use of money and property** (interest income and rents) decreased by \$2.7 million (68.5 percent). The City has elected to account for an investment premium or discount at its maturity. Interest earnings along with investment premiums that were realized as a loss accounted for \$1.9 million of the decrease as the City earned an average interest rate of 1.8% during 2010, as compared to an average interest rate of 2.3% during 2009, 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 2010 compared to 2009 accounted for \$.7 million of this decrease.

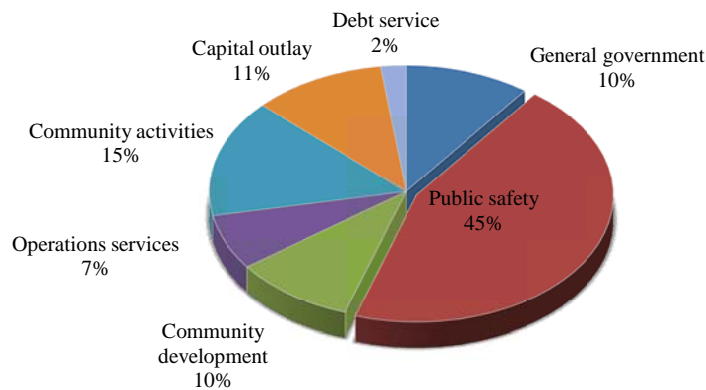
- *Fees, reimbursements & other charges* decreased by \$2.5 million (9.5 percent). The City of Pleasanton received \$0.8 million from the Tri-Valley Transportation Council for the I-580 HOV Lane project. The funding was decreased by \$2.2 million in comparison with the prior year. The City acted only 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 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 2009		FY 2010		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
<b>Current:</b>						
General government	\$12.1	9.1%	\$11.9	10.3%	-\$0.2	-1.7%
Public safety	50.4	37.7%	51.8	44.7%	1.4	2.8%
Community development	12.5	9.4%	11.5	9.9%	-1.0	-8.0%
Operations services	8.0	6.0%	8.1	7.0%	0.1	1.3%
Community activities	17.6	13.2%	17.4	15.0%	-0.2	-1.1%
Capital outlay	30.5	22.8%	12.7	11.0%	-17.8	-58.4%
<b>Debt service:</b>						
Principal	1.4	1.0%	1.3	1.1%	-0.1	-7.1%
Interest and fiscal charges	1.1	0.8%	1.1	0.9%	0.0	0.0%
<b>Total</b>	<b>\$133.6</b>	<b>100.0%</b>	<b>\$115.8</b>	<b>100.0%</b>	<b>-\$17.8</b>	<b>-13.3%</b>

**Expenditures by Function**  
**Governmental Funds**



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

- **Capital outlay** - totaling \$12.7 million this year, decreased by \$17.8 million (58.4 percent) from FY2009. During the fiscal year 2010, the City expended \$7.0 million for the Firehouse Arts Center that renovated and rehabilitated the historic Fire Station No.1. Opened in September, 2010, the Firehouse Arts Center provides four to five performances every week during the performing arts season that includes theater, music performances, films, lectures and readings, youth and family programs, and programs specifically for teens. In addition, eight to ten fine art shows and exhibits will be offered on an annual basis in the Art Gallery and Grand Lobby. These will include national touring shows, regional artists, themed shows and shows for children, and numerous workshops conducted by nationally known artists.



### **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, 2010, will be discussed in more detail starting on page 18. The following is a summary:

- Revenues were more than projections by \$1.8 million (2.2 percent). Although there were numerous budget to actual variances, the most significant items included property tax revenues exceeding projections by \$.9 million. The other tax revenues such as sales, documentary transfer and hotel tax revenues exceeded projections by \$1.0 million.
- Expenditures net of transfers were less than expected by \$.6 million.
- Temporary Recession Reserves were increased by \$1.3 million from \$10.9 million to \$12.2 million to address unforeseen impacts related to the economy.



The following table summarizes all General Fund reserves and designations, showing the beginning balances, plus changes resulting from FY10 operations and the resulting ending balances.

**City of Pleasanton**  
**General Fund Reserves and Designations as of 6/30/10**

	Balance 6/30/2009	Budgeted Additions & Deletions	Year-end Actual Additions & Deletions	Budget to Actual Variance	Balance 6/30/2010
Reserved:					
Encumbrances	\$ 1,756,537	\$ -	\$ (1,756,537)	\$ (1,756,537)	\$ -
Unreserved, designated:					
Economic Uncertainty	8,990,000	(544,385)	(544,385)	-	8,445,615
Carryovers	1,804,199	851,263	851,263	-	2,655,462
Golf Debt Service	2,000,000	-	-	-	2,000,000
Temporary Recession	10,900,000	1,281,308	1,281,308	-	12,181,308
<b>TOTAL</b>	<b>\$ 25,450,736</b>	<b>\$ 1,588,186</b>	<b>\$ (168,351)</b>	<b>\$ (1,756,537)</b>	<b>\$ 25,282,385</b>

The City maintains the above designations consistent with its formal financial policies. \$25.3 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 funded \$40,000 in new housing loans to individuals and \$225,000 as an affordable housing development loan to Eden Housing Inc. (Ridge View Commons) in FY2010. Like other loan agreements for Ridge View Commons, the City does not anticipate repayment of the loan unless the property is sold, as part of a mortgage refinancing or resyndication with a new tax credit investor. During the Fiscal Year 2009-10, the City recorded two loans amounting to \$6.25 million that were previously made out to Eden Housing Inc. for a rental housing development for low and very low income seniors in 1988 and 1999. The detail of the loans is disclosed in *Note 3* in the **Notes to the Basic Financial Statements**. Reimbursement revenue as well as the fees collected from developers of new residential, commercial and office buildings remained about the same as last fiscal year.

- 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. Revenues and expenses were reduced by 2.7 and 2.0 percent, respectively, this year compared to 2009, due primarily to decreased capital outlay grants and expenditures.

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 2010.

The City had two *Debt Service* funds remaining as of June 30, 2010. 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 2010.

*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 \$16.2 million for the Water Fund, \$21.7 million for the Sewer Fund, \$1.4 million for the Golf Fund, \$1.0 million for the Storm Drain Fund and \$.4 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 decreased \$10.0 million. Decreases included \$3.0 million in the Water Fund, \$3.8 million in the Sewer Fund, \$2.3 million in the Golf Fund and \$.9 million in the Storm Drain Fund.

- The decrease in the Water Fund net assets was due primarily to higher material, supplies and services expenditures. With reduced water revenues, the operating loss was \$3.5 million compared to the prior year loss of \$5.9 million. This continuation of loss was due largely to the City not recouping its costs of providing water to its residents. The City purchases 80% 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 implemented a water rate increase to offset the increase in Zone 7 water rates effective August 1, 2010. The City will also increase both service and consumption charges on January 1, 2011. The City will monitor its rates before adopting subsequent rate increases to encourage greater water conservation.
- The decrease in the Sewer Fund was due primarily to an operating loss of \$2.2 million after depreciation expenses of \$2.8 million and the prior period adjustment of \$1.4 million from the City's equity in the Livermore Amador Valley Water Management Agency. Similar to the Water operation, the City implemented rate increases effective August 1, 2010. In order to remain fiscally solvent in the Sewer Fund, the City is annually increasing the current sewer rates based on the increase in the consumer price index (CPI) starting July 1, 2011. The detail of the prior period adjustment is disclosed in *Note 14* in the **Notes to the Basic Financial Statements**.
- Golf Fund net assets decreased \$2.3 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 \$.6 million this year towards the debt service payment. With increased environmental monitoring expenses coupled with a very wet spring season, the operation loss grew to a \$1.1 million as opposed to a \$.5 million operating loss in 2009.
- The net decrease in the Storm Drain Fund was due primarily to the depreciation expense of \$1.1 million and resulted in an operating loss of \$1.4 million.

*Fiduciary funds.* The detail of the Fiduciary fund financial statements can be found on pages 42-43 of this report.

The City has 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 \$6.9 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 2010 revenue, expenditures and transfers. Revenues were more than projections by 2.2 percent (\$1.8 million) and expenditures net of carryovers were under budget by about 1.5 percent (\$1.3 million).

Differences between the original and final revenue budget reflect a decrease of \$4.7 million (5.4 percent), and reflect (among other things) adjustments in projections for sales and other tax revenues (\$2.6 million decrease), permits (\$.6 million decrease), interest revenues (\$.3 million decrease), and other revenues (\$.9 million decrease). Differences between the original and final expenditure budget represent a \$.6 million increase (.7 percent) and reflect adjustments of retiree medical accrual expenses (\$1.0 million increase) and operating carryovers and other miscellaneous adjustments (net of \$.4 million decrease).

General Fund 2009-10 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues	\$87,332,823	\$82,606,783	\$84,456,145	\$1,849,362
Expenditures	86,366,404	85,796,637	84,511,972	(1,284,665)
Other Financing Sources (Uses):				
Transfers in	36,850	1,714,156	1,714,156	-
Transfers out	(1,003,269)	(1,103,269)	(1,826,680)	(723,411)
Net change in fund balance	\$0	(\$2,578,967)	(\$168,351)	\$2,410,616

\*GASB 31 adjustment for General Fund revenue is (\$211,989).

General Fund actual revenues were more than final budget estimates by \$1.8 million in 2010. Property tax revenues are the largest single revenue source for the General Fund and accounted for 58.4% of total revenues. Actual property tax collections in 2009-10 were \$.9 million above the final budget estimates and decreased 1.4% from the prior fiscal year. Property tax revenues include secured, unsecured, delinquent and supplemental property taxes. Sales tax revenues declined sharply due to adverse economic conditions in retail sectors by 12.0% from the prior year, and were above the final budget estimates by \$.4 million. While other tax revenues were heavily fluctuated to the economic downturn, Hotel and Motel tax revenues held relatively flat, exceeding the final budget estimates by \$.5 million.

Expenditures were less than expected by \$1.3 million. Of the \$1.3 million, \$.9 million in appropriations were carried over to 2011, leaving a net variance of \$.4 million in expenditures (after carryovers). During the year, the City experienced a very wet spring season resulting in minimal usage of utilities to maintain City parks (\$.6 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, 2010 was \$686.9 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, right-of-ways, buildings, improvements other than buildings, vehicles and equipment, and construction in progress. The total decrease in the City's investment in capital assets for the current period was \$7.1 million or 1.0% (net of accumulative depreciation). The City implemented GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets during the Fiscal Year 2009-10. Retroactive reporting of the City's owned right-of-way from 1980 through current year was amounted to \$36.3 million and as a result the beginning net Governmental Activities capital assets was restated for financial reporting purposes.

Major capital asset events during the current fiscal year included:

- Governmental activities totaling \$1.8 million decrease included:
  - Net decrease in construction in progress of \$1.5 million is largely attributed to the completion of the first phase of Bernal Community Park (\$8.5 million). Other various completed projects that were added to depreciable asset categories amounted to \$0.8 million. The major current year additions to construction in progress were the Firehouse Arts Center related projects (\$7.0 million).
  - Other than the additions from construction in progress of \$9.3 million to the depreciable assets, various street pavement and traffic signal replacement projects of \$2.5 million were added to City's infrastructure.
  - These additions were offset by decreases due to depreciation of \$12.4 million.
- Business-type activities totaling \$5.3 million decrease included:
  - Various City water/sewer/storm drain projects of \$3.8 million, of which \$3.3 million were attributed to City's water machinery and equipment (\$1.8 million), various water and sewer improvement projects from construction in progress (\$1.5 million).
  - These additions were offset by decreases due to depreciation of \$9.0 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.

<b>City of Pleasanton</b>							
<b>Capital Assets</b>							
<b>(net of depreciation, in millions of dollars)</b>							
	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2009	2010	2009	2010	2009	2010	% Change
Infrastructure	\$128.5	\$123.5	\$144.0	\$138.9	\$272.5	\$262.4	-3.7%
Land	215.0	215.1	14.3	14.3	229.3	229.4	0.0%
Right-of-ways	36.3	36.3	-	-	36.3	36.3	0.0%
Buildings	44.7	44.2	22.5	21.9	67.3	66.1	-1.7%
Improvements other than buildings	18.9	25.0	25.4	23.9	44.3	48.9	10.3%
Vehicles & equipment	8.0	7.0	8.9	10.2	16.9	17.2	2.0%
Construction in progress	25.4	23.9	2.1	2.7	27.4	26.6	-3.0%
Total	<u>\$476.8</u>	<u>\$475.0</u>	<u>\$217.2</u>	<u>\$211.9</u>	<u>\$694.0</u>	<u>\$686.9</u>	<u>-1.0%</u>

Among the significant design/construction commitments outstanding at the end of the year were Firehouse Arts Center related projects and Annual Resurfacing of Various Streets.

### Debt Administration

Debt, considered a liability of governmental activities, decreased by \$1.8 million in FY10.

- The 2003 Certificates of Participation (COPs) outstanding were reduced by \$965,000 as the result of the normal amortization of the debt.
- The 2004 Certificates of Participation (COPs) outstanding were reduced by \$330,000 as the result of the normal amortization of the debt.
- County of Alameda note payable was reduced by \$530,000 as the result of the normal amortization of the note payable.

Debt of the business-type activities decreased in 2010 by \$.9 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 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, 2009 and 2010:

<b>City of Pleasanton</b>						
<b>Long Term Debt Outstanding</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
State CALHFA Help Program note payable	\$ 342,487	\$ 342,487	\$ -	\$ -	\$ 342,487	\$ 342,487
State CALHFA Help Loan	1,500,000	1,500,000			1,500,000	1,500,000
Golf Course Capital Lease			149,158	-	149,158	-
2003 Certificates of Participation	24,290,000	23,325,000			24,290,000	23,325,000
2004 Refunding Lease Certificates of Participation	2,115,000	1,785,000			2,115,000	1,785,000
Alameda County Transportation Corridor Purchase Agreement	3,400,000	2,870,000			3,400,000	2,870,000
Notes Payable - Federal Financing Bank			226,105	174,875	226,105	174,875
2002 Sewer Revenue Bonds			420,000	-	420,000	-
2004 Water Revenue Bonds			975,000	825,000	975,000	825,000
2004 Sewer Revenue Bonds			995,000	840,000	995,000	840,000
<b>TOTAL</b>	<b>\$ 31,647,487</b>	<b>\$ 29,822,487</b>	<b>\$ 2,765,263</b>	<b>\$ 1,839,875</b>	<b>\$ 34,412,750</b>	<b>\$ 31,662,362</b>

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

### **Economic Factors and Next Year's Budget and Rates**

The assessed value for taxable property in the City decreased .5% between fiscal year 2009 and fiscal year 2010. Property tax revenues decreased between fiscal year 2009 and 2010 by 1.4% primarily as a result of the County Assessor's adjustment due to the economic downturn. The unemployment rate in Alameda County is 11.5% as of June 2010 as compared with 11.2% for June 2009. The required contribution rates as a percentage of payroll for the City's retirement funding, including the employee portion which is currently paid by the City, will be changing effective July 1, 2011 as follows:

- Miscellaneous Plan - 29.09%
- Safety Fire Plan - 42.63%
- Safety Police Plan (pooled) - 42.35%

Effective September 1, 2010, the Safety Fire employees will be paying a portion of the above Safety Fire Plan PERS rates equal to 2% of their salaries subject to PERS. As of the adoption of the midterm budget for the FY2010/11 by the Council, the economic outlook for the City was considered to be stable. The General Fund Budget for FY2010/11 of approximately \$85.2 million was adopted. At that time, the City is anticipating that expenditures and net transfers will exceed revenues by \$2.0 million. The City designated as part of their general fund reserves a Reserve for Carryover that includes funding for the anticipated deficit and outstanding purchase orders and contracts as of June 30, 2010.

### **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 of the City of Pleasanton, 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, 2010**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 187,092,807	\$ 29,933,356	\$ 217,026,163
Receivables (net):			
Accounts	5,460,155	4,239,701	9,699,856
Taxes	547,594	-	547,594
Grants	1,423,789	-	1,423,789
Interest	1,158,322	167,180	1,325,502
Deposits	1,002,361	-	1,002,361
Internal balances	(1,526,793)	1,526,793	-
Inventory and prepaid items	-	115,331	115,331
Restricted cash and investments	394,945	264,948	659,893
Long-term receivable	-	130,408	130,408
Notes receivable	6,852,159	-	6,852,159
Bond issuance cost, net	690,947	63,194	754,141
Net investment in joint ventures	-	11,364,969	11,364,969
Capital assets:			
Nondepreciable	275,296,001	16,999,195	292,295,196
Depreciable, net	199,685,812	194,910,580	394,596,392
<b>Total assets</b>	<b>678,078,099</b>	<b>259,715,655</b>	<b>937,793,754</b>
<b>LIABILITIES</b>			
Accounts payable	6,471,502	4,759,445	11,230,947
Payroll payable	2,595,347	155,474	2,750,821
Interest payable	273,017	7,695	280,712
Refundable deposits	258,932	89,153	348,085
Unearned revenue	112,075	269,149	381,224
Long-term liabilities:			
Due within one fiscal year	5,653,006	364,612	6,017,618
Due in more than one fiscal year	34,216,730	1,475,263	35,691,993
<b>Total liabilities</b>	<b>49,580,609</b>	<b>7,120,791</b>	<b>56,701,400</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	447,001,813	210,069,900	657,071,713
Restricted for:			
Debt service	394,945	264,948	659,893
Capital projects	34,116,726	-	34,116,726
Special projects	1,572,152	-	1,572,152
Community development	16,193,285	-	16,193,285
Total restricted net assets	52,277,108	264,948	52,542,056
Unrestricted net assets	129,218,569	42,260,016	171,478,585
<b>Total net assets</b>	<b>\$ 628,497,490</b>	<b>\$ 252,594,864</b>	<b>\$ 881,092,354</b>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2010**

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 15,371,145	\$ (908,351)	\$ 552,655	\$ -	\$ -
Public safety	53,923,103	-	15,438,986	974,669	-
Community development	10,930,162	1,526	1,881,698	1,025,745	-
Operations services	17,012,445	(892,031)	180,938	69,624	7,109,454
Community activities	20,622,309	936,884	3,316,593	282,026	575,259
Interest on long-term debt	1,122,135	-	-	-	-
Total governmental activities	118,981,298	(861,972)	21,370,870	2,352,064	7,684,713
<b>Business-type activities:</b>					
Water	18,124,253	(414,208)	14,045,288	-	396,143
Sewer	13,672,129	1,121,893	10,693,533	-	120,699
Golf	5,530,246	-	4,182,190	-	-
Transit	687,793	-	40,306	-	-
Storm Drain	1,714,459	152,526	365,816	-	148,383
Cemetery	205,425	1,761	-	-	-
Pleasanton Housing Authority	425,771	-	160,093	-	-
Total business-type activities	40,360,076	861,972	29,487,226	-	665,225
<b>Total primary government</b>	<b>\$ 159,341,374</b>	<b>\$ -</b>	<b>\$ 50,858,096</b>	<b>\$ 2,352,064</b>	<b>\$ 8,349,938</b>

**General Revenues:**

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

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
\$ (13,910,139)	\$ -	\$ (13,910,139)
(37,509,448)	-	(37,509,448)
(8,024,245)	-	(8,024,245)
(8,760,398)	-	(8,760,398)
(17,385,315)	-	(17,385,315)
(1,122,135)	-	(1,122,135)
<u>(86,711,679)</u>	<u>-</u>	<u>(86,711,679)</u>
-	(3,268,614)	(3,268,614)
-	(3,979,790)	(3,979,790)
-	(1,348,056)	(1,348,056)
-	(647,487)	(647,487)
-	(1,352,786)	(1,352,786)
-	(207,186)	(207,186)
-	(265,678)	(265,678)
-	<u>(11,069,597)</u>	<u>(11,069,597)</u>
<u>(86,711,679)</u>	<u>(11,069,597)</u>	<u>(97,781,276)</u>
49,724,115	-	49,724,115
5,957,264	-	5,957,264
15,420,066	-	15,420,066
206,180	-	206,180
1,955,493	-	1,955,493
<u>73,263,118</u>	<u>-</u>	<u>73,263,118</u>
1,766,743	267,730	2,034,473
647,235	1,151,141	1,798,376
393,080	(393,080)	-
<u>76,070,176</u>	<u>1,025,791</u>	<u>77,095,967</u>
(10,641,503)	(10,043,806)	(20,685,309)
639,138,993	262,638,670	901,777,663
<u>\$ 628,497,490</u>	<u>\$ 252,594,864</u>	<u>\$ 881,092,354</u>

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 22,849,014	\$ 15,590,203	\$ 1,884,166	\$ 60,288,142	\$ 100,611,525
Receivables (net):					
Accounts	4,644,736	-	17,853	785,991	5,448,580
Taxes	547,594	-	-	-	547,594
Grants	-	-	-	1,423,789	1,423,789
Interest	219,135	126,619	11,587	323,832	681,173
Deposits	-	-	-	1,002,361	1,002,361
Due from other funds	935,235	-	-	-	935,235
Restricted cash and investments	-	-	-	394,945	394,945
Notes receivable, net	75,095	6,277,064	-	500,000	6,852,159
<b>Total assets</b>	<b>\$ 29,270,809</b>	<b>\$ 21,993,886</b>	<b>\$ 1,913,606</b>	<b>\$ 64,719,060</b>	<b>\$ 117,897,361</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,266,008	\$ 31,670	\$ 945,044	\$ 2,339,286	\$ 5,582,008
Payroll payable	1,689,340	-	878,571	-	2,567,911
Due to other funds	-	-	-	915,314	915,314
Refundable deposits	-	2,189	-	256,743	258,932
Deferred revenue	33,076	6,277,064	48,502	530,498	6,889,140
<b>Total liabilities</b>	<b>3,988,424</b>	<b>6,310,923</b>	<b>1,872,117</b>	<b>4,041,841</b>	<b>16,213,305</b>
<b>Fund Balances:</b>					
Reserved for:					
Debt service	-	-	-	394,945	394,945
Unreserved, designated (see Note 10):					
General fund	25,282,385	-	-	-	25,282,385
Special revenue funds	-	15,682,963	41,489	7,956,804	23,681,256
Capital project funds	-	-	-	52,325,470	52,325,470
<b>Total fund balances</b>	<b>25,282,385</b>	<b>15,682,963</b>	<b>41,489</b>	<b>60,677,219</b>	<b>101,684,056</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,270,809</b>	<b>\$ 21,993,886</b>	<b>\$ 1,913,606</b>	<b>\$ 64,719,060</b>	<b>\$ 117,897,361</b>

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, 2010

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 101,684,056</b>
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$9,090,320.	<u>465,891,495</u>
Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.	<u>6,777,065</u>
Bond issuance costs are an expenditure in the governmental funds but are capitalized and amortized over the life of the bonds in the government-wide financial statements.	<u>690,947</u>
Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/ renovation and self-insurance programs to individual departments or to other governments. The assets and liabilities are included in governmental activities in the statement of net assets.	<u>83,549,431</u>
Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental fund financial statements:	
2003 Certificates of Participation	(23,325,000)
2004 Certificates of Participation	(1,785,000)
Note payable to State	(1,842,487)
Note payable to Alameda County	(2,870,000)
Accrued interest payable	<u>(273,017)</u>
Total long-term liabilities	<u>(30,095,504)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$ 628,497,490</b>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2010**

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>REVENUES:</b>					
Taxes	\$ 71,408,195	\$ -	-	\$ -	\$ 71,408,195
Special assessments	-	-	-	203,798	203,798
Licenses	11,424	-	-	-	11,424
Permits	852,900	-	-	-	852,900
Fines and forfeitures	453,118	-	-	-	453,118
Use of money and property	179,618	454,364	4,844	573,001	1,211,827
Intergovernmental	1,092,223	-	229,807	4,060,149	5,382,179
Franchises	1,955,493	-	-	-	1,955,493
Charges for services	1,233,424	-	13,478,826	28,771	14,741,021
Development fees	54,956	72,386	-	1,519,244	1,646,586
Plan check fees	428,476	-	-	-	428,476
Reimbursements	892,688	221,874	42,262	1,211,849	2,368,673
Contributions and donations	9,414	-	550	1,649,270	1,659,234
Other revenues	2,673,736	-	2,441	377,087	3,053,264
Recreation charges	3,210,480	-	-	-	3,210,480
<b>Total revenues</b>	<b>84,456,145</b>	<b>748,624</b>	<b>13,758,730</b>	<b>9,623,169</b>	<b>108,586,668</b>
<b>EXPENDITURES:</b>					
Current:					
General government	11,896,618	-	-	-	11,896,618
Public safety	37,624,470	-	14,040,297	96,640	51,761,407
Community development	10,146,544	660,820	-	683,152	11,490,516
Operations services	7,749,315	-	-	381,511	8,130,826
Community activities	16,564,127	-	-	321,185	16,885,312
Capital outlay	530,898	-	3,699	12,186,233	12,720,830
Debt service:					
Principal	-	-	-	1,825,000	1,825,000
Interest, fiscal charges	-	-	-	1,091,998	1,091,998
<b>Total expenditures</b>	<b>84,511,972</b>	<b>660,820</b>	<b>14,043,996</b>	<b>16,585,719</b>	<b>115,802,507</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(55,827)</b>	<b>87,804</b>	<b>(285,266)</b>	<b>(6,962,550)</b>	<b>(7,215,839)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,714,156	-	205,138	4,782,878	6,702,172
Transfers out	(1,826,680)	-	-	(2,550,500)	(4,377,180)
<b>Total other financing sources (uses)</b>	<b>(112,524)</b>	<b>-</b>	<b>205,138</b>	<b>2,232,378</b>	<b>2,324,992</b>
<b>Net change in fund balances</b>	<b>(168,351)</b>	<b>87,804</b>	<b>(80,128)</b>	<b>(4,730,172)</b>	<b>(4,890,847)</b>
<b>FUND BALANCES:</b>					
Beginning of year	25,450,736	15,595,159	121,617	65,407,391	106,574,903
End of year	\$ 25,282,385	\$ 15,682,963	41,489	\$ 60,677,219	\$ 101,684,056

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, 2010

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (4,890,847)</b>
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:	
Governmental funds report acquisition of capital assets as part of capital outlay 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 \$646,441).	9,762,776
Depreciation (net of internal service funds of \$1,333,813).	(11,075,076)
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.	
	209,280
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.	
	(74,622)
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.	
	154,916
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.	
	9,878
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:	
Alameda County Corridor Purchase	530,000
2003 Certificates of Participation	965,000
2004 Certificates of Participation	330,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.	
	(6,522,793)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ (10,641,503)</b>

See accompanying Notes to Basic Financial Statements.

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**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	Business-type Activities - Enterprise Funds						Governmental	
	Water	Sewer	Golf Fund		Storm Drain	Other Non-major Enterprise Funds	Internal Service Funds	
			Facilities	Operations				Total
<b>ASSETS</b>								
Current assets:								
Cash and investments	\$ 15,608,298	\$ 10,587,935	\$ 2,159,315	\$ 111,106	\$ 975,899	\$ 490,803	\$ 29,933,356	\$ 86,481,282
Receivables (net):								
Accounts	3,049,793	1,144,755	1,001	174	3,161	40,817	4,239,701	11,575
Interest	87,617	64,297	9,487	-	5,239	540	167,180	477,149
Inventory and prepaid items	-	-	-	115,331	-	-	115,331	-
Restricted cash and investments	180,948	84,000	-	-	-	-	264,948	-
<b>Total current assets</b>	<b>18,926,656</b>	<b>11,880,987</b>	<b>2,169,803</b>	<b>226,611</b>	<b>984,299</b>	<b>532,160</b>	<b>34,720,516</b>	<b>86,970,006</b>
Noncurrent assets:								
Long-term receivable	130,408	-	-	-	-	-	130,408	-
Bond issuance costs, net of accumulated amortization	33,652	29,542	-	-	-	-	63,194	-
Net investment in joint ventures	-	11,364,969	-	-	-	-	11,364,969	-
Advances to other funds	473,000	-	-	-	-	-	473,000	-
Capital assets:								
Nondepreciable	2,624,698	1,802,056	12,434,327	-	76,364	61,750	16,999,195	955,559
Depreciable, net	79,570,759	61,197,351	25,453,728	268,872	27,659,046	760,824	194,910,580	8,134,759
<b>Total noncurrent assets</b>	<b>82,832,517</b>	<b>74,393,918</b>	<b>37,888,055</b>	<b>268,872</b>	<b>27,735,410</b>	<b>822,574</b>	<b>223,941,346</b>	<b>9,090,318</b>
<b>Total assets</b>	<b>101,759,173</b>	<b>86,274,905</b>	<b>40,057,858</b>	<b>495,483</b>	<b>28,719,709</b>	<b>1,354,734</b>	<b>258,661,862</b>	<b>96,060,324</b>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	3,019,125	1,424,748	18,129	264,063	13,946	19,434	4,759,445	889,494
Due to other funds	-	-	-	-	-	19,921	19,921	-
Payroll payable	87,781	34,856	-	-	12,631	20,206	155,474	27,436
Interest payable	-	-	-	-	-	7,695	7,695	-
Refundable deposits	-	-	-	77,025	-	12,128	89,153	-
Unearned revenue	43,944	-	-	160,235	-	64,970	269,149	-
Accrued compensated absences	-	-	-	-	-	-	-	985,032
Claims payable	-	-	-	-	-	-	-	2,807,974
Notes payable - due within one year	-	-	-	-	-	54,612	54,612	-
Bonds payable - due within one year	155,000	155,000	-	-	-	-	310,000	-
<b>Total current liabilities</b>	<b>3,305,850</b>	<b>1,614,604</b>	<b>18,129</b>	<b>501,323</b>	<b>26,577</b>	<b>198,966</b>	<b>5,665,449</b>	<b>4,709,936</b>
Noncurrent liabilities:								
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	-	4,290,759
Claims payable - due in more than one year	-	-	-	-	-	-	-	1,963,484
Notes payable - due in more than one year	-	-	-	-	-	120,263	120,263	-
Bonds payable - due in more than one year	670,000	685,000	-	-	-	-	1,355,000	-
Advances from other funds	-	-	473,000	-	-	-	473,000	-
<b>Total noncurrent liabilities</b>	<b>670,000</b>	<b>685,000</b>	<b>473,000</b>	<b>-</b>	<b>-</b>	<b>120,263</b>	<b>1,948,263</b>	<b>6,254,243</b>
<b>Total liabilities</b>	<b>3,975,850</b>	<b>2,299,604</b>	<b>491,129</b>	<b>501,323</b>	<b>26,577</b>	<b>319,229</b>	<b>7,613,712</b>	<b>10,964,179</b>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	81,370,457	62,159,407	37,888,055	268,872	27,735,410	647,699	210,069,900	9,090,318
Restricted for:								
Debt service	180,948	84,000	-	-	-	-	264,948	-
Unrestricted (deficit)	16,231,918	21,731,894	1,678,674	(274,712)	957,722	387,806	40,713,302	76,005,827
<b>Total net assets</b>	<b>\$ 97,783,323</b>	<b>\$ 83,975,301</b>	<b>\$ 39,566,729</b>	<b>\$ (5,840)</b>	<b>\$ 28,693,132</b>	<b>\$ 1,035,505</b>	<b>251,048,150</b>	<b>\$ 85,096,145</b>

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

Net assets of business-type activities 1,546,714  
\$ 252,594,864

See accompanying Notes to Basic Financial Statements.



**City of Pleasanton**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Business-type Activities - Enterprise Funds							Governmental
	Water	Sewer	Golf Fund		Storm Drain	Other Non-major Enterprise Funds	Total	Internal
			Facilities	Operations				Service Funds
<b>OPERATING REVENUES:</b>								
Charges for services	\$ 15,346,237	\$ 10,698,320	\$ -	\$ 4,182,190	\$ 508,748	\$ 200,399	\$ 30,935,894	\$ 29,578,406
Connection fees	64,060	27,924	-	-	-	-	91,984	-
Miscellaneous	83,319	25,623	273,594	-	145,232	337,595	865,363	63,624
<b>Total operating revenues</b>	<b>15,493,616</b>	<b>10,751,867</b>	<b>273,594</b>	<b>4,182,190</b>	<b>653,980</b>	<b>537,994</b>	<b>31,893,241</b>	<b>29,642,030</b>
<b>OPERATING EXPENSES:</b>								
Personnel services	2,935,611	1,199,030	-	1,664,527	455,441	701,950	6,956,559	26,281,041
Transportation	29,686	28,223	-	-	2,899	36,576	97,384	-
Repairs and maintenance	111,392	23,142	-	570,025	1,740	101,217	807,516	-
Materials, supplies, and services	12,651,220	8,866,990	442,642	1,183,469	461,008	303,414	23,908,743	5,527,340
Provision for claim losses	-	-	-	-	-	-	-	1,990,000
Amortization	8,065	11,670	-	-	-	-	19,735	-
Depreciation	3,295,931	2,781,766	1,556,105	110,297	1,088,184	164,401	8,996,684	1,333,813
<b>Total operating expenses</b>	<b>19,031,905</b>	<b>12,910,821</b>	<b>1,998,747</b>	<b>3,528,318</b>	<b>2,009,272</b>	<b>1,307,558</b>	<b>40,786,621</b>	<b>35,132,194</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,538,289)</b>	<b>(2,158,954)</b>	<b>(1,725,153)</b>	<b>653,872</b>	<b>(1,355,292)</b>	<b>(769,564)</b>	<b>(8,893,380)</b>	<b>(5,490,164)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>								
Grants	-	-	-	-	-	285,778	285,778	-
Interest income	143,992	94,572	19,030	-	5,202	4,934	267,730	886,321
Interest expense	(28,719)	(37,163)	-	(3,181)	-	(12,669)	(81,732)	-
Equity interest in loss from joint ventures	-	(1,876,072)	-	-	-	-	(1,876,072)	-
Gain (loss) from sale of capital assets	-	-	-	-	-	-	-	(5,313)
<b>Total nonoperating revenues (expenses)</b>	<b>115,273</b>	<b>(1,818,663)</b>	<b>19,030</b>	<b>(3,181)</b>	<b>5,202</b>	<b>278,043</b>	<b>(1,404,296)</b>	<b>881,008</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(3,423,016)</b>	<b>(3,977,617)</b>	<b>(1,706,123)</b>	<b>650,691</b>	<b>(1,350,090)</b>	<b>(491,521)</b>	<b>(10,297,676)</b>	<b>(4,609,156)</b>
Capital contributions	396,143	120,699	-	-	148,383	-	665,225	-
Transfers in	76,352	35,903	1,119,427	75,000	344,118	422,165	2,072,965	84,100
Transfers out	-	-	(1,671,045)	(795,000)	-	-	(2,466,045)	(2,016,012)
<b>Change in net assets</b>	<b>(2,950,521)</b>	<b>(3,821,015)</b>	<b>(2,257,741)</b>	<b>(69,309)</b>	<b>(857,589)</b>	<b>(69,356)</b>	<b>(10,025,531)</b>	<b>(6,541,068)</b>
<b>NET ASSETS:</b>								
Beginning of year, as restated (Note 14)	100,733,844	87,796,316	41,824,470	63,469	29,550,721	1,104,861		91,637,213
End of year (deficit)	<u>\$ 97,783,323</u>	<u>\$ 83,975,301</u>	<u>\$ 39,566,729</u>	<u>\$ (5,840)</u>	<u>\$ 28,693,132</u>	<u>\$ 1,035,505</u>		<u>\$ 85,096,145</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities. (18,275)

Change in net assets of business-type activities \$ (10,043,806)

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf Fund		Storm	Other Non-major Enterprise Funds	Internal Service Funds
			Facilities	Operations			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash receipt from customers	\$ 15,069,740	\$ 10,659,925	\$ (1,001)	\$ 4,210,272	\$ 510,007	\$ 234,073	\$ 29,577,628
Cash payment to suppliers for goods and services	(12,377,386)	(9,156,456)	(453,379)	(1,684,101)	(481,961)	(453,103)	(4,924,855)
Cash payment to employees for services	(2,933,821)	(1,199,568)	-	(1,664,527)	(455,064)	(698,401)	(26,350,980)
Miscellaneous revenue	76,119	25,623	273,594	-	145,232	337,595	63,624
<b>Net cash provided (used) by operating activities</b>	<u>(165,348)</u>	<u>329,524</u>	<u>(180,786)</u>	<u>861,644</u>	<u>(281,786)</u>	<u>(579,836)</u>	<u>(1,634,583)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Grants received	-	-	-	-	-	285,778	-
Transfer in	76,352	35,903	1,119,427	75,000	344,118	422,165	84,100
Transfer out	-	-	(1,671,045)	(795,000)	-	-	(2,016,012)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>76,352</u>	<u>35,903</u>	<u>(551,618)</u>	<u>(720,000)</u>	<u>344,118</u>	<u>707,943</u>	<u>(1,931,912)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Principal payments on long-term debt	(150,000)	(575,000)	-	(149,158)	-	(51,230)	-
Interest payments	(28,719)	(37,163)	-	(3,181)	-	(14,923)	-
Capital asset acquisition	(2,326,822)	(544,075)	(18,128)	-	-	(197,153)	(646,441)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(2,505,541)</u>	<u>(1,156,238)</u>	<u>(18,128)</u>	<u>(152,339)</u>	<u>-</u>	<u>(263,306)</u>	<u>(646,441)</u>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES:</b>							
Interest received	213,418	133,206	31,397	-	7,993	5,592	1,177,045
<b>Net cash provided by (used in) noncapital investing activities</b>	<u>213,418</u>	<u>133,206</u>	<u>31,397</u>	<u>-</u>	<u>7,993</u>	<u>5,592</u>	<u>1,177,045</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(2,381,119)</u>	<u>(657,605)</u>	<u>(719,135)</u>	<u>(10,695)</u>	<u>70,325</u>	<u>(129,607)</u>	<u>(3,035,891)</u>
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	18,170,365	11,329,540	2,878,450	121,801	905,574	620,410	89,517,173
End of year	<u>\$ 15,789,246</u>	<u>\$ 10,671,935</u>	<u>\$ 2,159,315</u>	<u>\$ 111,106</u>	<u>\$ 975,899</u>	<u>\$ 490,803</u>	<u>\$ 86,481,282</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (3,538,289)	\$ (2,158,954)	\$ (1,725,153)	\$ 653,872	\$ (1,355,292)	\$ (769,564)	\$ (5,490,164)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	3,303,996	2,793,436	1,556,105	110,297	1,088,184	164,401	1,333,813
Decrease (increase) in:							
Accounts receivable	(340,557)	(66,319)	(1,001)	6,272	1,259	6,854	(778)
Inventory and prepaid items	-	-	-	16,715	-	-	16,715
Increase (decrease) in:							
Accounts payable	414,912	(238,101)	(10,737)	36,648	(16,314)	(2,595)	40,401
Accrued payroll	1,790	(538)	-	-	377	3,549	27,322
Due to other funds	-	-	-	-	-	(9,301)	-
Deferred revenue	(7,200)	-	-	16,030	-	27,247	36,077
Refundable deposits	-	-	-	21,810	-	(427)	21,383
Accrued benefits payable	-	-	-	-	-	-	(97,261)
Claims payable	-	-	-	-	-	-	2,552,084
<b>Net cash provided (used) by operating activities</b>	<u>\$ (165,348)</u>	<u>\$ 329,524</u>	<u>\$ (180,786)</u>	<u>\$ 861,644</u>	<u>\$ (281,786)</u>	<u>\$ (579,836)</u>	<u>\$ (1,634,583)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Capital assets contributed by developers	\$ 396,143	\$ 120,699	\$ -	\$ -	\$ 148,383	\$ -	\$ -
<b>Total noncash capital and related financing activities</b>	<u>\$ 396,143</u>	<u>\$ 120,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,383</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	Other Post-Employment Benefit Trusts	Private-Purpose Trust	Agency
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 155,080	\$ 14,662,356
Receivables (net):			
Accounts	-	3,143	264,358
Interest	-	889	7,389
Restricted cash and investments	9,825,190	-	-
<b>Total assets</b>	<b>9,825,190</b>	<b>159,112</b>	<b>\$ 14,934,103</b>
<b>LIABILITIES</b>			
Accounts payable	-	18,979	\$ 406,472
Due to bondholders	-	-	13,519,382
Deposits	-	-	1,008,249
<b>Total liabilities</b>	<b>-</b>	<b>18,979</b>	<b>\$ 14,934,103</b>
<b>NET ASSETS</b>			
Net assets	<b>\$ 9,825,190</b>	<b>\$ 140,133</b>	

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, 2010**

	Other Post-Employment Benefit Trusts	Private-Purpose Trust
<b>ADDITIONS:</b>		
Investment income	\$ 25,190	\$ 1,908
Contributions: Employer	4,300,000	-
Miscellaneous	-	1,425
<b>Total additions</b>	<b>4,325,190</b>	<b>3,333</b>
<b>DEDUCTIONS:</b>		
Operations services	-	16,390
Capital outlay	-	378,563
<b>Total deductions</b>	<b>-</b>	<b>394,953</b>
<b>Changes in net assets</b>	<b>4,325,190</b>	<b>(391,620)</b>
<b>NET ASSETS:</b>		
Beginning of year	5,500,000	531,753
End of year	<b>\$ 9,825,190</b>	<b>\$ 140,133</b>

See accompanying Notes to Basic Financial Statements.

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**City of Pleasanton**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The City of Pleasanton (City) was incorporated on June 18, 1894, and operates under a Council-Manager form of government. The City Council consists of five elected members. The following services are provided by the City to its citizens: police, fire, streets, 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 and separate financial statements for the units may be obtained from the City's Finance Department located in City Hall at 123 Main Street, Pleasanton, CA 94566:

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 financing 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, 2010**

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

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

*Government-Wide Financial Statements*

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. 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, 2010**

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

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

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 90 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, 2010**

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**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 (CourseCo, Inc.) 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 Fiscal Year 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, 2010**

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**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, 2010**

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

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

**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 government-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, 2010**

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**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. 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, 2010 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, 2010**

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**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, 2010**

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

**Q. Implementation of New GASB Pronouncements**

In 2010, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- o GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* - This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Governments possess many different types of assets that may be considered intangible assets, including right-of-ways, easements, water rights, patents, trademarks and computer software. The City's intangible assets only include right-of-ways.

**2. CASH AND INVESTMENTS**

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds, except certain construction and bond reserve funds held by the City.

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent at June 30, 2010:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 187,092,807	\$ 29,933,356	\$ 14,817,436	\$ 231,843,599
Restricted cash and investments	394,945	264,948	9,825,190	10,485,083
<b>Total</b>	<b>\$ 187,487,752</b>	<b>\$ 30,198,304</b>	<b>\$ 24,642,626</b>	<b>\$ 242,328,682</b>

At June 30, 2010 the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value June 30, 2010
<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 4,300
Deposits with banks	2,065,035
Certificates of deposits	262,815
<b>Total Deposits</b>	<b>2,332,150</b>
Investments:	
U.S. government treasuries	65,811,661
U.S. government agencies	103,492,869
Money market	8,162,717
Certificates of deposits	735,000
California Local Agency Investment Fund	51,309,202
<b>Total Investments</b>	<b>229,511,449</b>
<b>Total City Treasury</b>	<b>231,843,599</b>
<b>Cash with Fiscal Agent</b>	<b>10,485,083</b>
<b>Total City and fiscal agent cash and investments</b>	<b>\$ 242,328,682</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**2. CASH AND INVESTMENTS, Continued**

**A. Deposits**

At June 30, 2010, the carrying amount of the City's cash deposits had a positive balance of \$2,065,035 and the bank balance was \$3,951,427. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,120,951 was covered by federal depository insurance and \$2,830,476 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.

**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, 2010, was \$10,485,083 held by the trustees or fiscal agents. These funds may only be used for the payment of certain bonds, 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, 2010 from the fiscal year ended June 30, 2009 amounted to an unrealized loss of \$393,013.

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, 2010, the City held \$10,003,629 in callable securities, representing 4.36% of investments.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. CASH AND INVESTMENTS, Continued**

**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, 2010, the City had the following investment maturities, all of which had a maturity date of 3 years or less:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 3
U.S. Government treasuries	\$ 65,811,661	\$ 37,059,710	\$ 28,751,951
U.S. Government agencies	103,492,869	47,428,771	56,064,098
California Local Agency Investment Fund	51,309,202	51,309,202	-
Certificates of deposit	735,000	735,000	-
Money market	8,162,717	8,162,717	-
<b>Total</b>	<b>\$ 229,511,449</b>	<b>\$ 144,695,400</b>	<b>\$ 84,816,049</b>

**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, 2010, the City's credit risks, expressed on a percentage basis, were as follows:

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

	Moody's	Standard & Poor's	Percentage
<b>U.S. Agencies</b>			
Federal Farm Credit Bank	Aaa	AAA	14.86%
Federal Home Loan Bank	Aaa	AAA	27.17%
Federal Home Loan Mortgage Corporation	Aaa	AAA	1.32%
Federal National Mortgage Association	Aaa	AAA	1.75%
<b>U.S. Treasury Money Market Funds</b>			
Fidelity - Government Portfolio	Aaa	AAA	3.56%
<b>External Pool</b>			
State of California - Local Agency Investment Fund	Not Rated	Not Rated	22.33%

*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.S. Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 34,106,015	14.86%
Federal Home Loan Bank	62,363,707	27.17%
	<b>\$ 96,469,722</b>	<b>42.03%</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**2. CASH AND INVESTMENTS, Continued**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the City). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**E. External Investment Pool**

As of June 30, 2010, the City had \$51,309,202 invested 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. At June 30, 2010, 47.21% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

The City's investments with LAIF at June 30, 2010 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 2010, 5.42% of LAIF's portfolio was invested in Structured Notes and Asset-Backed Securities. Fair value of LAIF was calculated by applying a factor of 1.001643776 to total investments held by LAIF. The fair value of the City's position in the pool is substantially equivalent to the value of the pool share. Separate financial statements for the PMIB may be obtained from California State Treasurer's Office, 915 Capital Mall, Sacramento, CA 95814.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**3. NOTES RECEIVABLE**

The following table summarizes the notes receivable outstanding as of June 30, 2010:

	Government-Wide Statement of Net Assets Governmental Activities
Housing Loans	
Multifamily Housing Projects - Developers	\$ 5,137,062
Revolving Home Loans - Individuals	1,140,002
HOME Grant Program Loans	395,000
In Lieu Parking Fee Loans	105,000
Sewer Loans	75,095
<b>Total</b>	<b>\$ 6,852,159</b>

Housing Loans

- Developers - The City has given loans to private developers for the development of affordable housing for seniors and low income residents and are as follow:
  - *Busch Garden Investors* - In 2003, the City loaned Busch Garden Investors \$205,000 for the construction of the Gardens at Ironwood senior apartment project. The loan is a zero interest rate loan with annual principal payments in the amount of \$14,000. The amount outstanding at June 30, 2010 was \$149,000.
  - *Case Avenue Associates* - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the low income and very low income units in the project and was comprised of two components, \$636,063 funded by the City and \$130,000 funded through the City's allocation of federal HOME Investment Partnership Program (HOME) funds. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. The principal amounts outstanding at June 30, 2010 for the City funded and the HOME funded portions were \$636,063 and \$130,000, respectively, and does not reflect accrued interest.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**3. NOTES RECEIVABLE, Continued**

- *Promenade Housing Associates* - In 1996, the City loaned \$231,999 to Promenade Housing Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the market rate units in the project and was comprised of two components, \$101,999 funded by the City and \$130,000 funded through the City's allocation of federal HOME Investment Partnership Program (HOME) funds. The \$101,999 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. The amounts outstanding at June 30, 2010 for the City funded and the HOME funded portions were \$101,999 and \$130,000, respectively, and does not reflect accrued interest.
- *BLP Partnership, Inc.* - In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc., for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest-only payment of 10% (\$249,000) for 55 years or until the loan is paid in full. Annual payments toward the principal are based on the availability of surplus cash from the operation of the facility according to a "waterfall of payments" provision in the Loan Agreement in which surplus cash is applied to seven debt categories in the following order: base property management fee, HELP loan payment, developer fee contribution, operating/management reserve, City loan (\$2.49 million) payment, asset management fee, and management/incentive bonus. The amount outstanding at June 30, 2010 was \$2,490,000.
- *BLP Partnership, Inc.* - In 2005, the City loaned \$1,500,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. This loan was funded by a City loan agreement with the California Housing Finance Agency (CalHFA) through the Housing Enabled by Local Partnerships (HELP) program. The outstanding principal balance of the loan accrues simple interest at the rate of 3% per annum. 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. BLP is obligated to repay the full amount of the loan within 35 years from September 26, 2005. The amount outstanding at June 30, 2010 was \$1,500,000 and does not reflect accrued interest.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**3. NOTES RECEIVABLE, Continued**

- *Eden Housing/Ridge View Commons Associates* - In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low and very low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. In 1999, the City loaned \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a California Limited Partnership affiliated with Eden Housing, Inc., for this same housing project. In Fiscal Year 2009-10, the City loaned an additional \$225,000 to Ridge View Commons Associates to buy out the financial interests of the limited partner (Chevron USA, Inc.) in this project. Due to the nature of these loans, the likelihood of repayment is extremely remote. As a result, the City has recorded an allowance for doubtful accounts in its Lower Income Housing Fund, resulting in a zero balance for these loans in the basic financial statements.
- *Individuals* - As part of the Pleasanton Homeownership Assistance Program (PHAP) developed by the City to provide affordable housing opportunities for households of low and moderate income, loans are provided to eligible low and moderate income homebuyers for second mortgages and down payment assistance. For the second mortgage loan program, which was started in 1992, monthly payments of principal and interest were waived for the first five years for most of the loans. For more recent loans provided since 2004 under the City's Down Payment Assistance (DPA) program, amortized payments are made on half of the loan for the first ten years while payments are partially deferred for ten years on the other half. During Fiscal Year 2009-10, an additional \$40,000 was loaned to individuals and the City received loan repayments totaling \$176,084. The outstanding amount due to the City as of June 30, 2010 was \$1,140,002.

HOME Grant Program Loans

- Tri-Valley REACH, Inc. Loans - In February 2009, the City entered into an agreement with REACH, Inc. (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, in the amount of \$195,000, does not include interest payments and no repayment of principal is due as long as REACH, Inc. owns the property and continues to use it for the intended purpose. During Fiscal Year 2009-10, the City entered into its second agreement with REACH, Inc., in the amount of \$200,000, to provide funding for the purchase of a second home for the same intended purpose and terms as the first agreement. The outstanding amount as of June 30, 2010 was \$395,000.

In Lieu Parking Fee Loans - Loans are provided to property owners within the Downtown Revitalization District to finance the cost of off-street parking required for a development project pursuant to the Pleasanton Municipal Code Chapter 18.88 Off Street Parking Facilities. This loan program was adopted by Ordinance No. 1898 in 2003, and is set forth in Pleasanton Municipal Code section 18.88.120. Since the program's inception, several property owners have utilized this loan program, and repaid their loans. The outstanding amount as of June 30, 2010 was \$105,000.

Sewer Loans - Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. 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, 2010 was \$75,095.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**4. INTERFUND TRANSACTIONS**

**A. Interfund Receivables / Payables**

The composition of interfund balances as of June 30, 2010, 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, 2010, balances of due to/from other funds were as follows:

Due to other funds	Due from other funds
	General Fund
Non-major Governmental Funds	\$ 915,314
Non-major Enterprise Funds	19,921
<b>Total</b>	<b>\$ 935,235</b>

Transfers In/Out

The majority of transfers occurred in Fiscal Year 2009-10 to cover debt service payments, to provide operating subsidies to the enterprise funds and to redistribute excess funding in an internal service fund.

- o The General Fund transferred \$781,709 to the Capital Improvement Program (CIP) to cover the CIP's share of annual debt service for the 2003 Certificates of Participation and the 2004 Refunding Lease Certificates of Participation.
- o The General Fund also transferred \$1,044,970 to enterprise funds to support storm drain, transportation, golf facilities, and cemetery operations.
- o Golf Operations transferred \$795,000 to Golf Facilities to cover a portion of the golf enterprise's \$1,596,045 share of debt service.
- o Excess funding of \$2,016,012 in the Employee Benefit Internal Service Fund from the prior fiscal year was refunded back to the contributing operating funds in proportion to their original contribution.

Transfers in/out for the year ended June 30, 2010, were as follows:

	Transfers Out						
	Major Fund			Internal Service Funds	Non-Major Governmental Funds	Total	
	General Fund	Golf Facilities Fund	Golf Operations Fund				
Transfers In	Major Fund:						
	General Fund	\$ -	\$ -	\$ -	\$ 1,677,306	\$ 36,850	\$ 1,714,156
	LFPD Fund (Livermore Only)	-	-	-	205,138	-	205,138
	Sewer Enterprise Funds	-	-	-	35,903	-	35,903
	Water Enterprise Funds	-	-	-	76,352	-	76,352
	Storm Enterprise Funds	330,000	-	-	14,118	-	344,118
	Golf Enterprise Funds:						
	Facilities	300,000	-	795,000	-	24,427	1,119,427
	Operations	-	75,000	-	-	-	75,000
	Internal Service Funds	-	-	-	-	84,100	84,100
	Non-Major Governmental Funds	781,709	1,596,045	-	-	2,405,122	4,782,876
	Non-Major Enterprise Funds	414,970	-	-	7,195	-	422,165
	<b>Total</b>	<b>\$ 1,826,679</b>	<b>\$ 1,671,045</b>	<b>\$ 795,000</b>	<b>\$ 2,016,012</b>	<b>\$ 2,550,499</b>	<b>\$ 8,859,235</b>



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance 6/30/09	Additions	Retirements	Transfers	Balance 6/30/10
<b>Governmental activities:</b>					
Nondepreciable assets:					
Land	\$ 215,069,178	\$ 30,655	\$ -	\$ -	\$ 215,099,833
Right-of-ways	36,271,236	38,420	-	-	36,309,656
Construction in progress	25,390,226	8,381,694	-	(9,885,408)	23,886,512
Total nondepreciable assets	<u>276,730,640</u>	<u>8,450,769</u>	<u>-</u>	<u>(9,885,408)</u>	<u>275,296,001</u>
Depreciable assets:					
Infrastructure	260,620,876	1,766,373	(470,617)	995,972	262,912,604
Accumulated depreciation	(132,108,744)	(7,714,488)	390,682	-	(139,432,550)
Buildings	60,228,112	-	-	695,000	60,923,112
Accumulated depreciation	(15,489,240)	(1,214,607)	-	-	(16,703,847)
Improvements other than buildings	44,670,413	-	-	8,059,409	52,729,822
Accumulated depreciation	(25,759,144)	(1,935,250)	-	-	(27,694,394)
Machinery and equipment	18,554,137	314,218	-	135,027	19,003,382
Accumulated depreciation	(12,883,047)	(981,632)	-	-	(13,864,679)
Vehicles	9,599,064	87,136	-	-	9,686,200
Accumulated depreciation	(7,310,926)	(562,912)	-	-	(7,873,838)
Net depreciable assets	<u>200,121,501</u>	<u>(10,241,162)</u>	<u>(79,935)</u>	<u>9,885,408</u>	<u>199,685,812</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 476,852,141</u>	<u>\$ (1,790,393)</u>	<u>\$ (79,935)</u>	<u>\$ -</u>	<u>\$ 474,981,813</u>
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	\$ 14,274,798	\$ -	\$ -	\$ -	\$ 14,274,798
Construction in progress	2,051,340	1,501,231	-	(828,174)	2,724,397
Total nondepreciable assets	<u>16,326,138</u>	<u>1,501,231</u>	<u>-</u>	<u>(828,174)</u>	<u>16,999,195</u>
Depreciable assets:					
Infrastructure	256,208,835	356,607	(13,547)	685,428	257,237,323
Accumulated depreciation	(112,206,560)	(6,113,130)	13,547	-	(118,306,143)
Buildings	33,733,799	80,276	-	-	33,814,075
Accumulated depreciation	(11,201,642)	(725,022)	-	-	(11,926,664)
Improvements other than buildings	31,463,140	18,128	-	-	31,481,268
Accumulated depreciation	(6,061,566)	(1,562,552)	-	-	(7,624,118)
Machinery and equipment	12,483,898	1,696,578	-	142,746	14,323,222
Accumulated depreciation	(3,807,823)	(535,705)	-	-	(4,343,528)
Vehicles	610,877	98,582	-	-	709,459
Accumulated depreciation	(394,039)	(60,275)	-	-	(454,314)
Net depreciable assets	<u>200,828,919</u>	<u>(6,746,513)</u>	<u>-</u>	<u>828,174</u>	<u>194,910,580</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 217,155,057</u>	<u>\$ (5,245,282)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,909,775</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. CAPITAL ASSETS, Continued**

During Fiscal Year 2009-10, the City implemented GASB No. 51 and the beginning net Governmental Activities capital assets were restated to \$476,852,141 for the cumulative cost of \$36,271,236 to record land acquired for right-of-ways in prior fiscal years.

**A. Depreciation**

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 117,396
Public safety	946,202
Community development	3,985
Operations services	8,517,615
Community activities	2,823,691
<b>Total depreciation expense - governmental functions</b>	<b>\$ 12,408,889</b>

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

Water	\$ 3,295,931
Sewer	2,781,766
Golf	1,666,402
Transit	66,919
Storm Drain	1,088,184
Housing Authority	97,482
<b>Total depreciation expense - business-type functions</b>	<b>\$ 8,996,684</b>

**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	Balance			Amounts		
	July 1, 2009	Additions	Deletions	June 30, 2010	Due Within One Year	Due in More than One Year
<b>Governmental Activities:</b>						
2003 Certificates of Participation	\$ 24,290,000	\$ -	\$ (965,000)	\$ 23,325,000	\$ 995,000	\$ 22,330,000
2004 Refunding Lease Certificates of Participation	2,115,000	-	(330,000)	1,785,000	335,000	1,450,000
CALHFA Help Loan	1,500,000	-	-	1,500,000	-	1,500,000
State CALHFA Help Program note payable	342,487	-	-	342,487	-	342,487
Note payable, County of Alameda	3,400,000	-	(530,000)	2,870,000	530,000	2,340,000
Claims payable (Note 7)	2,219,374	3,370,058	(817,974)	4,771,458	2,807,974	1,963,484
Compensated absences (Note 8)	5,373,052	3,652,628	(3,749,889)	5,275,791	985,032	4,290,759
<b>Total governmental activities</b>	<b>\$ 39,239,913</b>	<b>\$ 7,022,686</b>	<b>\$ (6,392,863)</b>	<b>\$ 39,869,736</b>	<b>\$ 5,653,006</b>	<b>\$ 34,216,730</b>
<b>Business-type Activities:</b>						
Note payable, Federal Financing Bank	\$ 226,105	\$ -	\$ (51,230)	\$ 174,875	\$ 54,612	\$ 120,263
Golf Course Capital Lease	149,158	-	(149,158)	-	-	-
2002 Sewer Revenue Refunding Bonds	420,000	-	(420,000)	-	-	-
2004 Water Revenue Refunding Bonds	975,000	-	(150,000)	825,000	155,000	670,000
2004 Sewer Revenue Refunding Bonds	995,000	-	(155,000)	840,000	155,000	685,000
<b>Total business-type activities</b>	<b>\$ 2,765,263</b>	<b>\$ -</b>	<b>\$ (925,388)</b>	<b>\$ 1,839,875</b>	<b>\$ 364,612</b>	<b>\$ 1,475,263</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

Long-term debt at June 30, 2010, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2010
<b>Governmental Activities:</b>					
2003 Certificates of Participation	2032	3 - 4.75%	\$265 - \$1,530	\$ 28,425,000	\$ 23,325,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$330 - \$490	4,040,000	1,785,000
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
Note payable, County of Alameda	2016	0.6%	\$481 - \$730	6,500,000	2,870,000
<b>Total governmental activities</b>					\$ 29,822,487
<b>Business-type Activities:</b>					
Note payable, Federal Financing Bank	2012	6.6%	\$66 - \$66	882,636	\$ 174,875
2004 Water Revenue Refunding Bonds	2014	2 - 3.5%	\$150 - \$670	3,595,000	825,000
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$155 - \$195	1,760,000	840,000
<b>Total business-type activities</b>					\$ 1,839,875

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 Pleasanton Authority, to fund a Reserve Fund for the Certificates, and to pay certain costs of issuing the Certificates. The original certificate proceeds were used in 1988 to finance the construction and acquisition of fire station improvements, the Fire Training Center and the Pleasanton City Hall at 123 Main Street. 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, 2010**

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**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, 2010, \$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 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 two installments were paid in August 2009 and August 2010, respectively. The third installment, due August 2011, as well as the remaining four 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, 2010**

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**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, 2010, the ratio of Net Water Revenues to the debt service payments due during Fiscal Year 2009-10 was 1.25:1.

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 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, 2014, or early retirement of the bonds, whichever first occurs. At June 30, 2010, the ratio of Net Sewer Revenues to the debt service payments due during Fiscal Year 2009-10 was 2.37:1.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2010:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
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	700,000	889,005	380,000	6,460
2016 - 2020	3,940,000	3,990,884	-	-
2021 - 2025	4,865,000	3,035,606	-	-
2026 - 2030	6,085,000	1,783,491	-	-
2031 - 2033	4,385,000	318,844	-	-
<b>Total</b>	<b>\$ 23,325,000</b>	<b>\$ 13,843,000</b>	<b>\$ 1,785,000</b>	<b>\$ 148,231</b>

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2010:

Alameda County Transportation Corridor  
Purchase Agreement

Year Ending June 30,	Principal	Coupon	*Estimated Interest	Total Payment	Balance
2011	\$ 530,000	-	\$ -	\$ 530,000	\$ 2,340,000
2012	468,000	0.56%	13,104	481,104	1,872,000
2013	468,000	0.56%	10,483	478,483	1,404,000
2014	468,000	0.56%	7,862	475,862	936,000
2015	468,000	0.56%	5,242	473,242	468,000
2016	468,000	0.56%	2,621	470,621	-
<b>Total</b>	<b>\$ 2,870,000</b>		<b>\$ 39,312</b>	<b>\$ 2,909,312</b>	

\* Interest shall accrue commencing two years following the closing date (July 30, 2008) at the LAIF rate prevailing on the payment due date. The June 30, 2010 LAIF rate was used for purposes of this schedule.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2010:

Year Ending June 30,	Note Payable		2004 Water		2004 Sewer	
	Federal Financing Bank		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 54,612	\$ 11,541	\$ 155,000	\$ 24,144	\$ 155,000	\$ 24,638
2012	58,216	7,937	160,000	19,419	165,000	19,838
2013	62,047	4,106	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
<b>Total</b>	<b>\$ 174,875</b>	<b>\$ 23,584</b>	<b>\$ 825,000</b>	<b>\$ 70,059</b>	<b>\$ 840,000</b>	<b>\$ 71,663</b>

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, 2010
Pleasanton Joint Powers Financing Authority Local Obligation Bonds:	
2004 Series A Reassessment Revenue Bonds	\$ 70,000
2004 Series B Reassessment Revenue Bonds	16,745,000
<b>Total</b>	<b>\$ 16,815,000</b>

On May 25, 2004, the Pleasanton Joint Powers Financing Authority (PJPPFA) sold \$76,485,000 of Reassessment Revenue Bonds. The net bond proceeds from the 2004 Series A&B Reassessment Revenue Bonds were deposited into an irrevocable escrow fund to defease to the first call date the PJPPFA 1993 Series A&B Reassessment Revenue Bonds. The net proceeds from the 1993 Series A&B Reassessment Revenue Bonds were used to purchase the Local Obligations. As of June 30, 2010, the outstanding principal amount of the Local Obligations was \$39,967,061. The annual reassessments paid on the Local Obligations are the source of net revenues for the payment of the annual debt service on the 2004 Series A&B Reassessment Revenue Bonds.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

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, 2010, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$652,451,380.

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 pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2010.

As of June 30, 2010, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**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 \$250,000 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 \$3,000,000 through Lloyds of London-Beazley. In the opinion of City management, premiums paid to Bay Cities (which in turn pays premiums to others including CARMA and ERMA, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

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

Coverage	Self Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 250,000	\$ 29,000,000	Bay Cities/CARMA
Employment Practices Liability	75,000	3,000,000	ERMA/Lloyds of London-Beazley
Workers Compensation	1,000,000	Up to Statutory Limit	LAWCX
All Risk Property	10,000	Up to Replacement Cost	PEPIP/Lexington Insurance Co.
Auto Physical Damage	1,000	Up to Replacement Cost	PEPIP

All claims have been settled within the maximum coverage in the past three fiscal years.

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and its Workers Compensation Program in an Employee Benefit Fund. Both funds are classified as 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 \$4,518,296 and \$5,509,226 at June 30, 2010 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$2,451,145 and \$2,320,313 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in the funds as claims payable at June 30, 2010. 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,	
	2010	2009
Unpaid claims, beginning of year	\$ 2,219,374	\$ 2,122,896
Incurred claims and changes in estimates	3,370,058	1,403,999
Claim payments	(817,974)	(1,307,521)
<b>Unpaid claims, end of year</b>	<b>\$ 4,771,458</b>	<b>\$ 2,219,374</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**8. COMPENSATED ABSENCES**

The City records a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves. As of June 30, 2010, the total of vacation and other compensated leaves is \$5,275,791. 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 seven 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.

Bay Cities Joint Powers Insurance Authority

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.

Total Assets:	\$ 23,330,841
Total Liabilities:	<u>13,267,964</u>
Total Equity:	<u>10,062,877</u>
Total Revenue:	<u>10,546,488</u>
Total Expenses:	<u>8,673,546</u>
Revenue over expenses:	<u>\$ 1,872,942</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

Livermore-Amador Valley Waste Management Agency

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 \$11,364,969 as of June 30, 2010. Financial statements for LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Total Assets:	\$ 168,266,066
Total Liabilities:	135,794,727
Total Equity:	32,471,339
Total Revenue:	7,529,084
Total Expenses:	12,889,290
Revenue over expenses:	\$ (5,360,206)

Livermore- Amador Valley Transit Authority

Livermore-Amador Valley Transit Authority (LAVTA) was formed in 1985 by a joint exercise of powers agreement between the County of Alameda, and the cities of Dublin, Livermore and Pleasanton to provide transportation services within the Cities’ limits and portions of the unincorporated County. The Authority operates under the name “Wheels”. Financial statements for LAVTA may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, CA 94550.

Tri-Valley Transportation Council

The Tri-Valley Transportation Council (TVTC) was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements for TVTC may be obtained from the City of San Ramon, 2228 Camino Ramon, San Ramon, CA 94583.

Livermore-Pleasanton Fire Department

In 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPFD), covering both cities. LPFD may not own or enter into a contract without the approval of the governing board. The department prepares its budget including the contributions required from each City to fund operating and capital needs for the year. For the fiscal year ending 6/30/10, the City of Pleasanton’s contribution was \$13,655,014 and the City of Livermore’s was \$13,478,805. The City of Pleasanton is the Treasurer for the JPA and no separate financial statements are prepared. Financial data for the LPFD JPA are included in the City of Pleasanton’s financial statements.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

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, which consists of 2 counties, 29 cities, and 4 special districts. The Authority is governed by 23 board of directors selected from participating counties and cities. Financial statements for the EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, CA 94568.

Alameda County Transportation Commission

The Alameda County Transportation Commission (ACTC) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the County of Alameda, AC Transit and BART. ACCMA and ACTIA are also members until such time their respective functions are fully assumed by ACTC. Financial statements for ACTC are not yet available. Financial statements for ACCMA (in which the City was a member) can be obtained from ACCMA, 1333 Broadway, Suite 220, Oakland, CA 94612.

**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.

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.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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

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

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

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-Major Funds
<b>Reserved:</b>				
Debt Service	\$ -	\$ -	\$ -	\$ 394,945
<b>Total reserved</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,945</u>
<b>Unreserved, designated:</b>				
Economic uncertainty	8,445,615	-	-	-
Carryovers	2,655,462	-	-	-
Golf Debt Service	2,000,000	-	-	-
Capital projects	-	-	-	52,325,470
Special purposes	-	15,682,963	41,489	7,956,804
Temporary recession	12,181,308	-	-	-
<b>Total unreserved, designated</b>	<u>25,282,385</u>	<u>15,682,963</u>	<u>41,489</u>	<u>60,282,274</u>
<b>Total Fund Equity</b>	<u>\$ 25,282,385</u>	<u>\$ 15,682,963</u>	<u>\$ 41,489</u>	<u>\$ 60,677,219</u>

Deficit Fund Balance/Net Assets

At June 30, 2010, the Golf Fund - Operations had a deficit fund balance of \$5,840. The deficit will be reduced from future revenues to be collected by Callippe Preserve Golf Course.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**11. DEFINED BENEFIT PENSION PLAN**

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

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

Funding Policy - Active members are required by State statute to contribute 8% of their annual salary if a miscellaneous member and 9% if a safety member. The City makes the contributions on behalf of City employees for their account which amounted to \$4,403,698 for the year ended June 30, 2010. The City's employer required contribution's rate for Safety Fire employees was 25.595%, for Safety Police employees was 28.010%, and for Miscellaneous employees was 16.971% for the fiscal year. Effective September 1, 2010, safety fire employees will be paying a portion of the employer required contributions equal to 2% of their salaries that is subject to PERS.

Funding Status - As of June 30, 2009, the most recent actuarial date, the City's miscellaneous and fire safety plans had \$117,974,146 and \$109,438,771 in plan net assets and \$164,715,543 and \$142,893,893 in accrued liability, which resulted in unfunded liability of \$46,741,397 and \$33,455,122, respectively. The total covered payroll for the City's miscellaneous and fire safety plans were \$27,229,117 and \$13,863,781 that resulted in an UAAL percentage of 171.7% and 241.3% of total covered payroll, respectively.

Annual Pension Cost - For Fiscal Year 2009-10, the City's annual pension cost of \$11,012,572 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007 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, 2007 was 16 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, 2010**

**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	
6/30/2008	\$ 4,220,587	100%	\$ -
6/30/2009	4,474,726	100%	-
6/30/2010	4,594,911	100%	-

Fiscal Year Ending	Fire Plan*		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
6/30/2008	\$ 3,251,237	100%	\$ -
6/30/2009	3,476,142	100%	-
6/30/2010	3,618,523	100%	-

\*Includes City of Livermore's portion of costs which are approximately 50%.

**B. Funded Status**

	Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
Miscellaneous	6/30/2009	\$ 117,974,146	\$ 164,715,543	\$ 46,741,397	71.6%	\$ 27,229,117	171.7%
Fire	6/30/2009	109,438,771	142,893,893	33,455,122	76.6%	13,863,781	241.3%

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**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 2-party rate 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 Management/Confidential Employee Performance Compensation Plan.
- 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, 2009 (valuation date), plan membership consisted of 509 active participants (384 Non-Fire, 108 Fire Safety, 13 Fire Management, and 4 Fire Miscellaneous) active participants and 248 retirees (181 Non-Fire, 51 Fire Safety, 14 Fire Management, and 2 Fire Miscellaneous).



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**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). In Fiscal Year 2009-10, the City contributed \$6,854,046 (\$4,655,495 for Non-Fire and \$2,198,551 for Fire), including \$1,965,046 (\$1,430,495 for Non-Fire and \$534,551 for Fire) for pay-as-you-go current cash benefit payments to retirees; \$589,000 (\$425,000 for Non-Fire and \$164,000 for Fire) in implied subsidy benefit payments and \$4,300,000 (\$2,800,000 for Non-Fire and \$1,500,000 for Fire) deposited to the OPEB Trust. The following table summarizes the City's Fiscal Year 2009-10 contribution:

	<u>Non-Fire</u>	<u>Fire</u>	<u>Total</u>
Cash Subsidy	\$ 1,430,495	\$ 534,551	\$ 1,965,046
Implied Subsidy	425,000	164,000	589,000
Deposit to the OPEB Trust	<u>2,800,000</u>	<u>1,500,000</u>	<u>4,300,000</u>
Total	<u>\$ 4,655,495</u>	<u>\$ 2,198,551</u>	<u>\$ 6,854,046</u>

The City's ARC was \$6,855,858 (\$4,654,614 for Non-Fire and \$2,201,244 for Fire) for the Fiscal Year 2009-10 (See Note 12 C).

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, 2008, 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	\$ 4,654,614	\$ 2,201,244	\$ 6,855,858
Interest on net OPEB obligation	(720)	2,200	1,480
Adjustment to annual required contribution	<u>1,601</u>	<u>(4,893)</u>	<u>(3,292)</u>
Annual OPEB cost (expense)	4,655,495	2,198,551	6,854,046
Contributions to irrevocable trust	(2,800,000)	(1,500,000)	(4,300,000)
Benefit payments	<u>(1,855,495)</u>	<u>(698,551)</u>	<u>(2,554,046)</u>
Increase in net OPEB obligation	-	-	-
Net OPEB obligation - beginning of year	-	-	-
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, 2010**

**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 2007-08 through 2009-10 are as follows:

<b>Non-Fire</b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	n/a	n/a	n/a
June 30, 2009	\$ 5,196,000	100.0%	\$ -
June 30, 2010	\$ 4,654,614	100.0%	\$ -

<b>Fire</b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	n/a	n/a	n/a
June 30, 2009	\$ 2,548,000	100.0%	\$ -
June 30, 2010	\$ 2,201,244	100.0%	\$ -

**Funded Status and Funding Progress.** The June 30, 2008 actuarial valuation was used for the Fiscal Year 2009-10 ARC. The funded status of the plan as of June 30, 2008 was:

	<b>Non-Fire</b>	<b>Fire</b>	<b>Total</b>
Actuarial accrued liability (AAL)	\$ 54,965,000	\$ 23,887,000	\$ 78,852,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 54,965,000</u>	<u>\$ 23,887,000</u>	<u>\$ 78,852,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%
Projected covered payroll (active Plan members)	\$ 34,751,000	\$ 14,506,000	\$ 49,257,000
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, 2010**

**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 2008<sup>1</sup> 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 closed fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2008.

**D. Retiree Medical Reserves**

The City has accumulated reserves in two Internal Service Funds, the Retirees' Insurance Reserve and the Livermore-Pleasanton Fire Retirees' Insurance Reserve, for payment of retiree medical benefits. The following schedule identifies the beginning fund balance; plus contributions from Operating Funds and annual interest income; less payment of benefits for current retirees (pay-as-you-go) and the City's Annual Required Contribution (ARC) to the OPEB trust. The ending fund balance for the reserves reflect the amounts that are being accumulated for the purpose of paying retiree medical benefits.

	<b>Retiree Medical Reserves</b>		
	<b>Retirees Insurance Reserve</b>		
	<u>LPFD Reserve</u>	<u>LPFD Reserve</u>	<u>Total</u>
June 30, 2009 Fund Balance	\$ 31,528,930	\$ 11,360,263	\$ 42,889,193
2009-10 Contributions from Operating Funds	4,132,501	700,000	4,832,501
2009-10 Interest Income	298,069	101,590	399,659
2009-10 Contribution to OPEB Trust	(2,800,000)	(1,500,000)	(4,300,000)
*Pay-as-you-go benefits	(1,430,495)	(534,551)	(1,965,046)
June 30, 2010 Fund Balance	<u>\$ 31,729,005</u>	<u>\$ 10,127,302</u>	<u>\$ 41,856,307</u>

\*includes \$2,620 in professional services for legal and actuarial services but does not include an implicit rate subsidy of \$589,000.

<sup>1</sup> 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, 2010**

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**13. COMMITMENTS AND CONTINGENCIES**

**A. *Animal Shelter***

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during fiscal year 1996. The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) entered into an agreement under which the County constructed the animal shelter on County property. The cities pay their prorata share of the debt service and operating costs based on their usage of the animal shelter. The City's share of the Fiscal Year 2009-10 debt service and operating costs for the facility was \$248,661.

**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 is anticipated to open February 2011 and includes development with 1,200 parking spaces, and eventually 210 housing units, office space and a hotel.

**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, as discussed in Note 15.

**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, 2010, 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, 2010**

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**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 Sewer Revenue Bonds are secured by the pledge of the net revenues earned by the Agency.

*G. Proposition 1A Borrowing by the State of California*

Under the provisions of Proposition 1A and as part of the Fiscal Year 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Pleasanton was \$4,416,360.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**13. COMMITMENTS AND CONTINGENCIES, Continued**

*G. Proposition 1A Borrowing by the State of California, Continued*

Authorized with the Fiscal Year 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

*H. Construction Commitments*

The City had several outstanding or planned construction projects as of June 30, 2010. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amounts
Overlay of Various City Streets	\$ 749,699
Bernal Community Park Phase II	639,823
Firehouse Arts Center	558,922
Santa Rita Road Pavement Rehabilitation	373,995
Division Street/Railroad Avenue Street Improvements	230,428
Old Stanley Boulevard Street Improvements	207,086
Bernal Avenue Bridge Construction and Street Widening	160,699
Bernal Avenue Pavement Rehabilitation	136,685
Total	\$ 3,057,337

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**14. PRIOR PERIOD ADJUSTMENTS**

**A. Government-Wide Financial Statements**

During the fiscal year 2009-10 the City implemented GASB 51 to record intangible assets acquired in previous years. As a result of implementing GASB 51 the City recorded Right-of-Ways of \$36,271,236 included on the Government-wide Statement of Net Assets under Capital Assets (see note 5). In addition, the City recorded a prior period adjustment to reduce its equity investment in the Livermore Amador Valley Water Management Agency (JPA) in the amount of \$1,397,598 in the City's business-type activities on the Statement of Net Assets (see note 9).

	Net Assets as Previously Reported	Prior Period Adjustments	Net Assets as Restated
Government-Wide Activities:			
Governmental Activities	\$ 602,867,757	\$ 36,271,236	\$ 639,138,993
Business-type Activities	264,036,268	(1,397,598)	262,638,670
Total	<u>\$ 866,904,025</u>	<u>\$ 34,873,638</u>	<u>\$ 901,777,663</u>

**B. Fund Financial Statements**

The City recorded a prior period adjustment in its Sewer Enterprise Fund to correctly reflect the City's equity in the Livermore Amador Valley Water Management Agency at June 30, 2009.

	Fund Balance as Previously Reported	Prior Period Adjustment	Fund Balance as Restated
Sewer Enterprise Fund	<u>\$ 89,193,914</u>	<u>\$ (1,397,598)</u>	<u>\$ 87,796,316</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**15. SUBSEQUENT EVENTS**

*Urban Habitat et al. v. City of Pleasanton Litigation*

Urban Habitat et al. v. City of Pleasanton was litigation brought in 2007 by low income housing advocates challenging the City's 1996 voter approved housing cap, growth management program and aspects of the housing element of the general plan (concerning rezoning of acreage to accommodate high density housing). In addition, the State Attorney General filed a related lawsuit alleging violations of the California Environmental Quality Act, which action was held in abeyance pending the outcome of the Urban Habitat litigation. The City initially prevailed on procedural grounds at the trial court level, the petitioners prevailed on appeal, review of the appellate court decision was denied by the California State Supreme Court, and the matter returned to the trial court where an amended complaint was filed in late 2008. On March 12, 2010, the trial court issued an order relating to most, but not all, causes of action, whereby the court struck down the City's housing cap, required substantial and substantive revision to the City's General Plan to remove the Cap, ordered the City to rezone certain properties in compliance with a program of the 2003 Housing Element, and broadly suspended the City's non-residential permit authority pending compliance with the ruling. The fact that the order did not address all causes of action barred the City from appealing the decision. A City Council appointed subcommittee worked with the City's lawyers to craft a means of resolving the litigation, including the State Attorney General's lawsuit, and complying with the judge's order. The City settled the lawsuit, along with the Attorney General's action, in August 2010. The terms of the settlement agreement dictate that the City pay \$995,000 to plaintiffs by September 17, 2010, and another \$995,000 by July 31, 2011. The City's self insurance fund was used to make the first payment and will be used to make the second payment.



**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Pleasanton**  
**Required Supplementary Information**  
**For the year ended June 30, 2010**

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**1. BUDGETARY BASIS OF ACCOUNTING**

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

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service funds and certain Capital Projects Funds, Enterprise Funds and Internal Service Funds.
7. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
8. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

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

*Budgetary Comparison Schedule – General Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 72,400,459	\$ 69,819,131	\$ 71,408,195	\$ 1,589,064
Licenses	11,250	11,250	11,424	174
Permits	1,308,410	752,410	852,900	100,490
Fines and forfeitures	520,500	520,500	453,118	(67,382)
Use of money and property	739,152	439,152	179,618	(259,534)
Intergovernmental	785,000	885,200	1,092,223	207,023
Franchises	1,826,000	1,826,000	1,955,493	129,493
Charges for services	1,095,377	1,172,284	1,233,424	61,140
Development fees	101,848	87,299	54,956	(32,343)
Plan check fees	741,858	383,000	428,476	45,476
Reimbursements	814,467	833,867	892,688	58,821
Contribution and donations	8,000	12,750	9,414	(3,336)
Other revenues	3,672,743	2,777,062	2,673,736	(103,326)
Recreation charges	3,307,759	3,086,878	3,210,480	123,602
<b>Total revenues</b>	<b>87,332,823</b>	<b>82,606,783</b>	<b>84,456,145</b>	<b>1,849,362</b>
<b>EXPENDITURES:</b>				
Current:				
General government	12,382,152	12,619,583	11,896,618	722,965
Public safety	37,900,652	37,098,132	37,624,470	(526,338)
Community development	10,754,546	10,775,398	10,146,544	628,854
Operations services	7,502,645	7,384,613	7,749,315	(364,702)
Community activities	17,373,409	17,355,601	16,564,127	791,474
Capital outlay	453,000	563,310	530,898	32,412
<b>Total expenditures</b>	<b>86,366,404</b>	<b>85,796,637</b>	<b>84,511,972</b>	<b>1,284,665</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>966,419</b>	<b>(3,189,854)</b>	<b>(55,827)</b>	<b>3,134,027</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	36,850	1,714,156	1,714,156	-
Transfers out	(1,003,269)	(1,103,269)	(1,826,680)	(723,411)
<b>Total other financing sources</b>	<b>(966,419)</b>	<b>610,887</b>	<b>(112,524)</b>	<b>(723,411)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (2,578,967)</b>	<b>(168,351)</b>	<b>\$ 2,410,616</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,450,736	
End of year			<b>\$ 25,282,385</b>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

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

*Budgetary Comparison Schedule – Lower Income Housing Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 529,600	\$ 529,600	\$ 454,364	\$ (75,236)
Development fees	224,446	224,446	72,386	(152,060)
Reimbursements	160,000	160,000	221,874	61,874
<b>Total revenues</b>	<b>914,046</b>	<b>914,046</b>	<b>748,624</b>	<b>(165,422)</b>
<b>EXPENDITURES:</b>				
Current:				
Planning and community development	607,578	1,313,272	660,820	652,452
<b>Total expenditures</b>	<b>607,578</b>	<b>1,313,272</b>	<b>660,820</b>	<b>652,452</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>306,468</b>	<b>(399,226)</b>	<b>87,804</b>	<b>487,030</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from notes payable	-	2,514	-	(2,514)
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,514</b>	<b>-</b>	<b>(2,514)</b>
<b>Net change in fund balances</b>	<b>\$ 306,468</b>	<b>\$ (396,712)</b>	<b>87,804</b>	<b>\$ 484,516</b>
<b>FUND BALANCES:</b>				
Beginning of year			15,595,159	
End of year			<b>\$ 15,682,963</b>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

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

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 5,001	\$ 5,017	\$ 4,844	\$ (173)
Intergovernmental	149,130	211,630	229,807	18,177
Charges for services	14,221,764	13,856,233	13,478,826	(377,407)
Reimbursements	2,500	2,500	42,262	39,762
Contribution and donations	1,000	1,000	550	(450)
Other revenues	13,200	2,441	2,441	-
<b>Total revenues</b>	<b>14,392,595</b>	<b>14,078,821</b>	<b>13,758,730</b>	<b>(320,091)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	14,382,595	14,363,037	14,040,297	322,740
Capital outlay	10,000	31,632	3,699	27,933
<b>Total expenditures</b>	<b>14,392,595</b>	<b>14,394,669</b>	<b>14,043,996</b>	<b>350,673</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(315,848)</b>	<b>(285,266)</b>	<b>30,582</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	205,138	205,138	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>205,138</b>	<b>205,138</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (110,710)</b>	<b>(80,128)</b>	<b>\$ 30,582</b>
<b>FUND BALANCES:</b>				
Beginning of year			121,617	
End of year			<b>\$ 41,489</b>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

**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
6/30/2007	\$ 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%
6/30/2009	109,438,771	142,893,893	33,455,122	76.6%	13,863,781	241.3%

*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
6/30/2007	\$ 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%
6/30/2009	117,974,146	164,715,543	46,741,397	71.6%	27,229,117	171.7%

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

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

**Schedule of Funding Progress  
Other Postemployment Benefits**

<b>Non-Fire</b>						
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 <sup>2</sup>	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%

<b>Fire</b>						
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 <sup>3</sup>	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%

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

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



## **SUPPLEMENTAL INFORMATION**

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 7,470,307	\$ -	\$ 52,817,835	\$ 60,288,142
Receivables:				
Accounts	612,187	-	173,804	785,991
Grants	1,423,789	-	-	1,423,789
Interest	39,915	-	283,917	323,832
Deposits	-	-	1,002,361	1,002,361
Restricted cash and investments	-	394,945	-	394,945
Notes receivable	500,000	-	-	500,000
<b>Total assets</b>	<b>\$ 10,046,198</b>	<b>\$ 394,945</b>	<b>\$ 54,277,917</b>	<b>\$ 64,719,060</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 643,582	\$ -	\$ 1,695,704	\$ 2,339,286
Due to other funds	915,314	-	-	915,314
Deposits	-	-	256,743	256,743
Deferred revenue	530,498	-	-	530,498
<b>Total liabilities</b>	<b>2,089,394</b>	<b>-</b>	<b>1,952,447</b>	<b>4,041,841</b>
<b>Fund Balances:</b>				
Reserved	-	394,945	-	394,945
Unreserved designated for:				
Capital projects	-	-	52,325,470	52,325,470
Specific purposes	7,956,804	-	-	7,956,804
<b>Total fund balances</b>	<b>7,956,804</b>	<b>394,945</b>	<b>52,325,470</b>	<b>60,677,219</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,046,198</b>	<b>\$ 394,945</b>	<b>\$ 54,277,917</b>	<b>\$ 64,719,060</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES:</b>				
Special assessments	\$ 203,798	\$ -	\$ -	\$ 203,798
Use of money and property	60,259	-	512,742	573,001
Intergovernmental	4,060,149	-	-	4,060,149
Charges for service	28,771	-	-	28,771
Development fees	-	-	1,519,244	1,519,244
Reimbursements	123,628	-	1,088,221	1,211,849
Contributions and donations	34,270	-	1,615,000	1,649,270
Other revenues	369,595	-	7,492	377,087
<b>Total revenues</b>	<b>4,880,470</b>	<b>-</b>	<b>4,742,699</b>	<b>9,623,169</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	96,640	-	-	96,640
Community development	683,152	-	-	683,152
Operations services	329,798	-	51,713	381,511
Community activities	189,640	-	131,545	321,185
Capital outlay	2,625,380	-	9,560,853	12,186,233
Debt service:				
Principal	-	1,295,000	530,000	1,825,000
Interest and fiscal charges	-	1,091,998	-	1,091,998
<b>Total expenditures</b>	<b>3,924,610</b>	<b>2,386,998</b>	<b>10,274,111</b>	<b>16,585,719</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>955,860</b>	<b>(2,386,998)</b>	<b>(5,531,412)</b>	<b>(6,962,550)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,377,755	2,405,123	4,782,878
Transfers out	(36,850)	-	(2,513,650)	(2,550,500)
<b>Total other financing sources (uses)</b>	<b>(36,850)</b>	<b>2,377,755</b>	<b>(108,527)</b>	<b>2,232,378</b>
<b>Net change in fund balances</b>	<b>919,010</b>	<b>(9,243)</b>	<b>(5,639,939)</b>	<b>(4,730,172)</b>
<b>FUND BALANCES:</b>				
Beginning of year	7,037,794	404,188	57,965,409	65,407,391
End of year	\$ 7,956,804	\$ 394,945	\$ 52,325,470	\$ 60,677,219

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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.

### **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.

### **Federal Stimulus American Recovery and Reinvestment Act (ARRA) Grants**

This fund was established in 2009-10 to account for grants received from the Federal Government in response to the American Recovery and Reinvestment Act of 2009. Eligible grant projects include energy efficiency and transportation related 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.

### **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, 2010**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>ASSETS</b>						
Cash and investments	\$ 24,525	\$ 122,950	\$ 49,874	\$ 447,415	\$ 594,202	\$ 353,127
Receivables:						
Accounts	-	1,099	-	63,490	-	2,518
Grants	-	-	-	-	-	-
Interest	137	57	281	2,330	3,339	1,969
Notes receivable	-	-	105,000	-	-	-
<b>Total assets</b>	<b>\$ 24,662</b>	<b>\$ 124,106</b>	<b>\$ 155,155</b>	<b>\$ 513,235</b>	<b>\$ 597,541</b>	<b>\$ 357,614</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 2,913	\$ -	\$ 24,402
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	105,000	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>105,000</b>	<b>2,913</b>	<b>-</b>	<b>24,402</b>
<b>Fund Balances:</b>						
Unreserved designated for:						
Special purposes	24,662	124,106	50,155	510,322	597,541	333,212
<b>Total fund balances</b>	<b>24,662</b>	<b>124,106</b>	<b>50,155</b>	<b>510,322</b>	<b>597,541</b>	<b>333,212</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,662</b>	<b>\$ 124,106</b>	<b>\$ 155,155</b>	<b>\$ 513,235</b>	<b>\$ 597,541</b>	<b>\$ 357,614</b>



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
\$ 704,578	\$ 1,717,825	\$ 458,449	\$ 2,191,104	\$ -	\$ -	\$ 278,261	\$ 190,773
2,829	179,476	-	285,093	-	-	-	20,750
-	2,069	-	-	21,073	5,457	-	-
3,989	9,533	2,575	10,679	-	-	1,706	1,254
-	-	-	-	395,000	-	-	-
<u>\$ 711,396</u>	<u>\$ 1,908,903</u>	<u>\$ 461,024</u>	<u>\$ 2,486,876</u>	<u>\$ 416,073</u>	<u>\$ 5,457</u>	<u>\$ 279,967</u>	<u>\$ 212,777</u>
\$ 8,050	\$ 46,450	\$ -	\$ 51,453	\$ 9,258	\$ -	\$ -	\$ 787
-	-	-	-	11,815	5,457	-	-
-	-	-	-	395,000	-	-	-
<u>8,050</u>	<u>46,450</u>	<u>-</u>	<u>51,453</u>	<u>416,073</u>	<u>5,457</u>	<u>-</u>	<u>787</u>
703,346	1,862,453	461,024	2,435,423	-	-	279,967	211,990
703,346	1,862,453	461,024	2,435,423	-	-	279,967	211,990
<u>\$ 711,396</u>	<u>\$ 1,908,903</u>	<u>\$ 461,024</u>	<u>\$ 2,486,876</u>	<u>\$ 416,073</u>	<u>\$ 5,457</u>	<u>\$ 279,967</u>	<u>\$ 212,777</u>

(Continued)

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds, Continued**  
**June 30, 2010**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
<b>ASSETS</b>						
Cash and investments	\$ 17,979	\$ 288,969	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	-	56,932	-	-	-
Grants	-	52,990	-	50,342	275,000	179,260
Interest	101	1,632	-	-	-	-
Notes receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 18,080</b>	<b>\$ 343,591</b>	<b>\$ 56,932</b>	<b>\$ 50,342</b>	<b>\$ 275,000</b>	<b>\$ 179,260</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 13,616	\$ 43,220	\$ 22,450	\$ -	\$ -
Due to other funds	-	12,678	13,712	27,892	275,000	179,260
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>26,294</b>	<b>56,932</b>	<b>50,342</b>	<b>275,000</b>	<b>179,260</b>
<b>Fund Balances:</b>						
Unreserved designated for:						
Special purposes	18,080	317,297	-	-	-	-
<b>Total fund balances</b>	<b>18,080</b>	<b>317,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,080</b>	<b>\$ 343,591</b>	<b>\$ 56,932</b>	<b>\$ 50,342</b>	<b>\$ 275,000</b>	<b>\$ 179,260</b>

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Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTEA Program	Total
\$ 4,489	\$ 25,787	\$ -	\$ 7,470,307
-	-	-	612,187
470,598	-	367,000	1,423,789
188	145	-	39,915
-	-	-	500,000
<u>\$ 475,275</u>	<u>\$ 25,932</u>	<u>\$ 367,000</u>	<u>\$ 10,046,198</u>

\$ 420,983	\$ -	\$ -	\$ 643,582
22,500	-	367,000	915,314
30,498	-	-	530,498
<u>473,981</u>	<u>-</u>	<u>367,000</u>	<u>2,089,394</u>

1,294	25,932	-	7,956,804
<u>1,294</u>	<u>25,932</u>	<u>-</u>	<u>7,956,804</u>
<u>\$ 475,275</u>	<u>\$ 25,932</u>	<u>\$ 367,000</u>	<u>\$ 10,046,198</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, 2010**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,174
Use of money and property	228	97	234	3,115	6,302	3,199
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	3,000	-	-	-	30,381	-
Other	-	54,196	-	302,717	-	11,579
<b>Total revenues</b>	<b>3,228</b>	<b>54,293</b>	<b>234</b>	<b>305,832</b>	<b>36,683</b>	<b>148,952</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	3,650	-	-	-	-	-
Community development	-	-	-	32,510	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	9,175	149,931
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,650</b>	<b>-</b>	<b>-</b>	<b>32,510</b>	<b>9,175</b>	<b>149,931</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(422)</b>	<b>54,293</b>	<b>234</b>	<b>273,322</b>	<b>27,508</b>	<b>(979)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(422)</b>	<b>54,293</b>	<b>234</b>	<b>273,322</b>	<b>27,508</b>	<b>(979)</b>
<b>FUND BALANCES:</b>						
Beginning of year	25,084	69,813	49,921	237,000	570,033	334,191
End of year	\$ 24,662	\$ 124,106	\$ 50,155	\$ 510,322	\$ 597,541	\$ 333,212

Geologic Hazard Assessment Districts	Measure B	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 69,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,317	13,019	2,658	15,558	-	-	3,157	2,402
-	704,906	-	1,786,278	301,575	51,910	-	-
-	-	-	-	-	-	28,771	-
500	-	-	-	-	-	-	314
-	-	-	-	-	-	-	-
1,103	-	-	-	-	-	-	-
<u>78,544</u>	<u>717,925</u>	<u>2,658</u>	<u>1,801,836</u>	<u>301,575</u>	<u>51,910</u>	<u>31,928</u>	<u>2,716</u>
-	-	-	-	-	-	30,000	-
-	-	-	-	301,575	-	-	-
23,853	28,599	-	7,500	-	-	-	-
-	-	-	-	-	-	-	30,534
-	751,206	400,000	768,277	-	51,910	-	-
<u>23,853</u>	<u>779,805</u>	<u>400,000</u>	<u>775,777</u>	<u>301,575</u>	<u>51,910</u>	<u>30,000</u>	<u>30,534</u>
54,691	(61,880)	(397,342)	1,026,059	-	-	1,928	(27,818)
-	-	-	-	-	-	-	(36,850)
-	-	-	-	-	-	-	(36,850)
<u>54,691</u>	<u>(61,880)</u>	<u>(397,342)</u>	<u>1,026,059</u>	<u>-</u>	<u>-</u>	<u>1,928</u>	<u>(64,668)</u>
648,655	1,924,333	858,366	1,409,364	-	-	278,039	276,658
<u>\$ 703,346</u>	<u>\$ 1,862,453</u>	<u>\$ 461,024</u>	<u>\$ 2,435,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,967</u>	<u>\$ 211,990</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, 2010**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	191	1,219	-	-	-	-
Intergovernmental	-	147,581	-	349,067	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	122,814	-	-	-
Contributions and donations	889	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,080</b>	<b>148,800</b>	<b>122,814</b>	<b>349,067</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	49,280	-	-	-	-
Community development	-	-	-	349,067	-	-
Operations services	-	-	122,814	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	95,897	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>145,177</b>	<b>122,814</b>	<b>349,067</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,080</b>	<b>3,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,080</b>	<b>3,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>						
Beginning of year	17,000	313,674	-	-	-	-
End of year	\$ 18,080	\$ 317,297	\$ -	\$ -	\$ -	\$ -

Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTE Program	Total
\$ -	\$ -	\$ -	\$ 203,798
1,294	269		60,259
718,832	-	-	4,060,149
-	-	-	28,771
-	-	-	123,628
-	-	-	34,270
-	-	-	369,595
720,126	269	-	4,880,470
13,710	-	-	96,640
-	-	-	683,152
147,032	-	-	329,798
-	-	-	189,640
558,090	-	-	2,625,380
718,832	-	-	3,924,610
1,294	269	-	955,860
-	-	-	(36,850)
-	-	-	(36,850)
1,294	269	-	919,010
-	25,663	-	7,037,794
\$ 1,294	\$ 25,932	\$ -	\$ 7,956,804

(Concluded)

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**D.A.R.E Trust Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 450	\$ 450	\$ 228	\$ (222)
Contributions and donations	-	3,000	3,000	-
<b>Total revenues</b>	<b>450</b>	<b>3,450</b>	<b>3,228</b>	<b>(222)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	5,000	7,029	3,650	3,379
<b>Total expenditures</b>	<b>5,000</b>	<b>7,029</b>	<b>3,650</b>	<b>3,379</b>
<b>Net change in fund balances</b>	<b>\$ (4,550)</b>	<b>\$ (3,579)</b>	<b>(422)</b>	<b>\$ 3,157</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,084	
End of year			\$ 24,662	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Other	\$ 4,000	\$ 4,000	\$ 54,196	\$ 50,196
Use of money and property	500	500	97	(403)
<b>Total revenues</b>	<b>4,500</b>	<b>4,500</b>	<b>54,293</b>	<b>49,793</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	5,030	-	5,030
<b>Total expenditures</b>	<b>-</b>	<b>5,030</b>	<b>-</b>	<b>(5,030)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(33,600)	(33,600)	-	33,600
<b>Total other financing sources (uses)</b>	<b>(33,600)</b>	<b>(33,600)</b>	<b>-</b>	<b>33,600</b>
<b>Net change in fund balances</b>	<b>\$ (29,100)</b>	<b>\$ (34,130)</b>	<b>54,293</b>	<b>\$ 88,423</b>
<b>FUND BALANCES:</b>				
Beginning of year			69,813	
End of year			\$ 124,106	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CBD Parking In-Lieu Special Revenue Fund**  
**For the year ended June 30, 2010**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 500	\$ 234	\$ (266)
<b>Total revenues</b>	<u>500</u>	<u>500</u>	<u>234</u>	<u>(266)</u>
<b>Net change in fund balances</b>	<u>\$ 500</u>	<u>\$ 500</u>	234	<u>\$ (266)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>49,921</u>	
End of year			<u>\$ 50,155</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Resource Management Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 12,500	\$ 12,500	\$ 3,115	\$ (9,385)
Other	349,500	349,500	302,717	(46,783)
<b>Total revenues</b>	<b>362,000</b>	<b>362,000</b>	<b>305,832</b>	<b>(56,168)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	205,001	448,657	32,510	416,147
<b>Total expenditures</b>	<b>205,001</b>	<b>448,657</b>	<b>32,510</b>	<b>416,147</b>
<b>Net change in fund balances</b>	<b>\$ 156,999</b>	<b>\$ (86,657)</b>	<b>273,322</b>	<b>\$ 359,979</b>
<b>FUND BALANCES:</b>				
Beginning of year			237,000	
End of year			\$ 510,322	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Donations Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 7,050	\$ 7,050	\$ 6,302	\$ (748)
Contributions and donations	-	27,781	30,381	2,600
<b>Total revenues</b>	<u>7,050</u>	<u>34,831</u>	<u>36,683</u>	<u>1,852</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	6,116	12,028	9,175	(2,853)
<b>Total expenditures</b>	<u>6,116</u>	<u>12,028</u>	<u>9,175</u>	<u>(2,853)</u>
<b>Net change in fund balances</b>	<u>\$ 934</u>	<u>\$ 22,803</u>	<u>27,508</u>	<u>\$ 4,705</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>570,033</u>	
End of year			<u>\$ 597,541</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape and Lighting Districts**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 129,947	\$ 129,947	\$ 134,174	\$ 4,227
Use of money and property	6,350	6,350	3,199	(3,151)
Other	11,590	11,579	11,579	-
<b>Total revenues</b>	<b>147,887</b>	<b>147,876</b>	<b>148,952</b>	<b>1,076</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	112,500	181,216	149,931	31,285
<b>Total expenditures</b>	<b>112,500</b>	<b>181,216</b>	<b>149,931</b>	<b>31,285</b>
<b>Net change in fund balances</b>	<b>\$ 35,387</b>	<b>\$ (33,340)</b>	<b>(979)</b>	<b>\$ 32,361</b>
<b>FUND BALANCES:</b>				
Beginning of year			334,191	
End of year			\$ 333,212	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Geologic Hazard Assessment Districts**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 68,568	\$ 68,568	\$ 69,624	\$ 1,056
Use of money and property	11,200	11,200	7,317	(3,883)
Reimbursements	-	-	500	500
Other	1,036	1,103	1,103	-
<b>Total revenues</b>	<b>80,804</b>	<b>80,871</b>	<b>78,544</b>	<b>(2,327)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	62,112	64,150	23,853	40,297
<b>Total expenditures</b>	<b>62,112</b>	<b>64,150</b>	<b>23,853</b>	<b>40,297</b>
<b>Net change in fund balances</b>	<b>\$ 18,692</b>	<b>\$ 16,721</b>	<b>54,691</b>	<b>\$ 37,970</b>
<b>FUND BALANCES:</b>				
Beginning of year			648,655	
End of year			\$ 703,346	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Measure B Street Repair Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 15,000	\$ 26,000	\$ 13,019	\$ (12,981)
Intergovernmental	741,597	667,497	704,906	37,409
<b>Total revenues</b>	<b>756,597</b>	<b>693,497</b>	<b>717,925</b>	<b>24,428</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	26,659	42,028	28,599	13,429
Capital outlay	2,283,845	2,278,140	751,206	1,526,934
<b>Total expenditures</b>	<b>2,310,504</b>	<b>2,320,168</b>	<b>779,805</b>	<b>1,540,363</b>
<b>Net change in fund balances</b>	<b>\$ (1,553,907)</b>	<b>\$ (1,626,671)</b>	<b>(61,880)</b>	<b>\$ 1,564,791</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,924,333	
End of year			\$ 1,862,453	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Prop 1B Street Repair Bond**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 20,000	\$ 11,000	\$ 2,658	\$ (8,342)
Intergovernmental	431,300	431,300	-	(431,300)
<b>Total revenues</b>	<b>451,300</b>	<b>442,300</b>	<b>2,658</b>	<b>(439,642)</b>
<b>EXPENDITURES:</b>				
Capital outlay	400,000	400,000	400,000	-
<b>Total expenditures</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 51,300</b>	<b>\$ 42,300</b>	<b>(397,342)</b>	<b>\$ (439,642)</b>
<b>FUND BALANCES:</b>				
Beginning of year			858,366	
End of year			<b>\$ 461,024</b>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 26,000	\$ 15,558	\$ (10,442)
Intergovernmental	1,794,455	1,735,684	1,786,278	50,594
<b>Total revenues</b>	<b>1,834,455</b>	<b>1,761,684</b>	<b>1,801,836</b>	<b>40,152</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	7,500	7,500	7,500	-
Capital outlay	2,150,663	2,156,368	768,277	1,388,091
<b>Total expenditures</b>	<b>2,158,163</b>	<b>2,163,868</b>	<b>775,777</b>	<b>1,388,091</b>
<b>Net change in fund balances</b>	<b>\$ (323,708)</b>	<b>\$ (402,184)</b>	<b>1,026,059</b>	<b>\$ 1,428,243</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,409,364	
End of year			<b>\$ 2,435,423</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**H.O.M.E. Program Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 183,500	\$ 586,731	\$ 301,575	\$ (285,156)
<b>Total revenues</b>	<b>183,500</b>	<b>586,731</b>	<b>301,575</b>	<b>(285,156)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	183,500	786,731	301,575	485,156
<b>Total expenditures</b>	<b>183,500</b>	<b>786,731</b>	<b>301,575</b>	<b>485,156</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (200,000)</b>	<b>-</b>	<b>\$ 200,000</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**M.T.C. Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 132,111	\$ 156,902	\$ 51,910	\$ (104,992)
<b>Total revenues</b>	<b>132,111</b>	<b>156,902</b>	<b>51,910</b>	<b>(104,992)</b>
<b>EXPENDITURES:</b>				
Capital outlay	132,112	156,902	51,910	104,992
<b>Total expenditures</b>	<b>132,112</b>	<b>156,902</b>	<b>51,910</b>	<b>104,992</b>
<b>Net change in fund balances</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Abandoned Vehicle Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 5,600	\$ 5,600	\$ 3,157	\$ (2,443)
Charge for services	30,000	30,000	28,771	(1,229)
<b>Total revenues</b>	<b>35,600</b>	<b>35,600</b>	<b>31,928</b>	<b>(3,672)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	30,000	30,000	30,000	-
<b>Total expenditures</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 5,600</b>	<b>\$ 5,600</b>	<b>1,928</b>	<b>\$ (3,672)</b>
<b>FUND BALANCES:</b>				
Beginning of year			278,039	
End of year			\$ 279,967	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Urban Forestry Program Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 5,300	\$ 5,300	\$ 2,402	\$ (2,898)
Reimbursement	-	-	314	314
<b>Total revenues</b>	<u>5,300</u>	<u>5,300</u>	<u>2,716</u>	<u>(2,584)</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	20,050	38,050	30,534	7,516
<b>Total expenditures</b>	<u>20,050</u>	<u>38,050</u>	<u>30,534</u>	<u>7,516</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfer out	-	-	(36,850)	(36,850)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>(36,850)</u>	<u>(36,850)</u>
<b>Net change in fund balances</b>	<u>\$ (14,750)</u>	<u>\$ (32,750)</u>	<u>(64,668)</u>	<u>\$ 4,932</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>276,658</u>	
End of year			<u>\$ 211,990</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Library Trust Fund Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 260	\$ 260	\$ 191	\$ (69)
Contributions and donations	-	889	889	-
<b>Total revenues</b>	<u>260</u>	<u>1,149</u>	<u>1,080</u>	<u>(69)</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	665	665	-	665
<b>Total expenditures</b>	<u>665</u>	<u>665</u>	<u>-</u>	<u>665</u>
<b>Net change in fund balances</b>	<u>\$ (405)</u>	<u>\$ 484</u>	1,080	<u>\$ 596</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>17,000</u>	
End of year			<u>\$ 18,080</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,000	\$ 3,600	\$ 1,219	\$ (2,381)
Intergovernmental	28,800	114,400	147,581	33,181
Reimbursement	24,000	12,000	-	(12,000)
<b>Total revenues</b>	<b>55,800</b>	<b>130,000</b>	<b>148,800</b>	<b>18,800</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	52,800	205,276	49,280	155,996
Capital outlay	134,979	231,557	95,897	135,660
<b>Total expenditures</b>	<b>187,779</b>	<b>436,833</b>	<b>145,177</b>	<b>291,656</b>
<b>Net change in fund balances</b>	<b>\$ (131,979)</b>	<b>\$ (306,833)</b>	<b>3,623</b>	<b>\$ 310,456</b>
<b>FUND BALANCES:</b>				
Beginning of year			313,674	
End of year			\$ 317,297	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**HBPOA Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Reimbursements	\$ 97,980	\$ 191,914	\$ 122,814	\$ (69,100)
<b>Total revenues</b>	<b>97,980</b>	<b>191,914</b>	<b>122,814</b>	<b>(69,100)</b>
<b>EXPENDITURES:</b>				
Operations services	97,980	191,914	122,814	69,100
<b>Total expenditures</b>	<b>97,980</b>	<b>191,914</b>	<b>122,814</b>	<b>69,100</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>				
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, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 285,395	\$ 605,936	\$ 349,067	\$ (256,869)
<b>Total revenues</b>	<b>285,395</b>	<b>605,936</b>	<b>349,067</b>	<b>(256,869)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	250,000	533,846	349,067	184,779
<b>Total expenditures</b>	<b>250,000</b>	<b>533,846</b>	<b>349,067</b>	<b>184,779</b>
<b>Net change in fund balances</b>	<b>\$ 35,395</b>	<b>\$ 72,090</b>	<b>-</b>	<b>\$ (72,090)</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Grants Special Revenue Fund**  
**For the year ended June 30, 2010**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**State Park Bonds Special Revenue Fund**  
**For the year ended June 30, 2010**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal Stimulus ARRA Grants Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 1,800	\$ 1,294	\$ (506)
Intergovernmental	-	2,596,676	718,832	(1,877,844)
<b>Total revenues</b>	-	2,598,476	720,126	(1,878,350)
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	19,044	13,710	5,334
Operations services'	-	709,632	147,032	562,600
Capital outlay	-	1,868,000	558,090	1,309,910
<b>Total expenditures</b>	-	2,596,676	718,832	1,877,844
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 1,800</b>	1,294	<b>\$ (506)</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ 1,294	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Downtown Economic Loan Special Revenue Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 500	\$ 269	\$ (231)
<b>Total revenues</b>	<b>500</b>	<b>500</b>	<b>269</b>	<b>(231)</b>
<b>Net change in fund balances</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>269</b>	<b>\$ (231)</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,663	
End of year			\$ 25,932	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal ISTEPA Program Special Revenue Fund**  
**For the year ended June 30, 2010**

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

## NON-MAJOR DEBT SERVICE FUNDS

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

### **2003 COPs**

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

### **2004 COPs**

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

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Debt Service Funds**  
**June 30, 2010**

	2003 COPs	2004 COPs	Total
<b>ASSETS</b>			
Restricted cash and investments	\$ -	\$ 394,945	\$ 394,945
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 394,945</b>	<b>\$ 394,945</b>
<b>FUND BALANCES</b>			
Reserved for debt service	\$ -	\$ 394,945	\$ 394,945
<b>Total fund balances</b>	<b>\$ -</b>	<b>\$ 394,945</b>	<b>\$ 394,945</b>



**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**For the year ended June 30, 2010**

	2003 COPs	2004 COPs	Total
<b>REVENUES:</b>			
Use of money and property	\$ -	\$ -	\$ -
<b>Total operating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal	965,000	330,000	1,295,000
Interest	1,032,515	59,483	1,091,998
<b>Total expenditures</b>	<u>1,997,515</u>	<u>389,483</u>	<u>2,386,998</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,997,515)</u>	<u>(389,483)</u>	<u>(2,386,998)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,997,515	380,240	2,377,755
<b>Total other financing sources (uses)</b>	<u>1,997,515</u>	<u>380,240</u>	<u>2,377,755</u>
<b>Net change in fund balances</b>	-	(9,243)	(9,243)
<b>FUND BALANCES:</b>			
Beginning of year	-	404,188	404,188
End of year	<u>\$ -</u>	<u>\$ 394,945</u>	<u>\$ 394,945</u>

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2003 COPs Debt Service Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	965,000	965,000	965,000	-
Interest, fiscal charges	1,032,515	1,032,515	1,032,515	-
<b>Total expenditures</b>	<b>1,997,515</b>	<b>1,997,515</b>	<b>1,997,515</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,997,515)</b>	<b>(1,997,515)</b>	<b>(1,997,515)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,997,515	1,997,515	1,997,515	-
<b>Total other financing sources (uses)</b>	<b>1,997,515</b>	<b>1,997,515</b>	<b>1,997,515</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2004 COPs Debt Service Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 2,600	\$ 2,600	\$ -	\$ (2,600)
<b>Total revenues</b>	<b>2,600</b>	<b>2,600</b>	<b>-</b>	<b>(2,600)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	330,000	330,000	330,000	-
Interest, fiscal charges	59,483	59,483	59,483	-
<b>Total expenditures</b>	<b>389,483</b>	<b>389,483</b>	<b>389,483</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(386,883)</b>	<b>(386,883)</b>	<b>(389,483)</b>	<b>(2,600)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	389,483	389,483	380,240	(9,243)
<b>Total other financing sources (uses)</b>	<b>389,483</b>	<b>389,483</b>	<b>380,240</b>	<b>(9,243)</b>
<b>Net change in fund balances</b>	<b>\$ 2,600</b>	<b>\$ 2,600</b>	<b>(9,243)</b>	<b>\$ (11,843)</b>
<b>FUND BALANCES:</b>				
Beginning of year			404,188	
End of year			\$ 394,945	

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## NON-MAJOR CAPITAL PROJECTS FUNDS

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

### **Miscellaneous Capital Improvement Program**

This fund receives contributions from the General Fund to be used for the purchase of equipment or the construction of facilities as adopted in the annual miscellaneous capital improvement program.

### **CIP for Downtown and North Pleasanton**

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

### **Capital Improvements**

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

### **Neighborhood Park Development**

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

### **Street Capital Improvement Program**

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

### **Traffic Impact**

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

### **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, 2010**

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
<b>ASSETS</b>						
Cash and investments	\$ 10,120,986	\$ 989,720	\$ 3,317,554	\$ 5,444,660	\$ 8,486,811	\$ 1,918,713
Receivables:						
Accounts	2,203	-	-	-	170,341	-
Interest	55,948	5,597	18,061	30,228	48,072	10,738
Deposits	-	1,002,361	-	-	-	-
<b>Total assets</b>	<b>\$ 10,179,137</b>	<b>\$ 1,997,678</b>	<b>\$ 3,335,615</b>	<b>\$ 5,474,888</b>	<b>\$ 8,705,224</b>	<b>\$ 1,929,451</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,202,533	\$ -	\$ 122,249	\$ -	\$ 180,893	\$ 48,832
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,202,533</b>	<b>-</b>	<b>122,249</b>	<b>-</b>	<b>180,893</b>	<b>48,832</b>
<b>Fund Balances:</b>						
Unreserved, designated for capital projects	8,976,604	1,997,678	3,213,366	5,474,888	8,524,331	1,880,619
<b>Total fund balances</b>	<b>8,976,604</b>	<b>1,997,678</b>	<b>3,213,366</b>	<b>5,474,888</b>	<b>8,524,331</b>	<b>1,880,619</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,179,137</b>	<b>\$ 1,997,678</b>	<b>\$ 3,335,615</b>	<b>\$ 5,474,888</b>	<b>\$ 8,705,224</b>	<b>\$ 1,929,451</b>



Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ 1,202,631	\$ 815,561	\$ 11,291,102	\$ 2,064,180	\$ 1,473,058	\$ 256,743	\$ 5,436,116	\$ 52,817,835
-	-	-	-	-	-	1,260	173,804
6,730	4,581	63,422	1,699	8,252	-	30,589	283,917
-	-	-	-	-	-	-	1,002,361
<u>\$ 1,209,361</u>	<u>\$ 820,142</u>	<u>\$ 11,354,524</u>	<u>\$ 2,065,879</u>	<u>\$ 1,481,310</u>	<u>\$ 256,743</u>	<u>\$ 5,467,965</u>	<u>\$ 54,277,917</u>
\$ -	\$ 21,744	\$ 117,354	\$ 843	\$ -	\$ -	\$ 1,256	\$ 1,695,704
-	-	-	-	-	256,743	-	256,743
-	21,744	117,354	843	-	256,743	1,256	1,952,447
1,209,361	798,398	11,237,170	2,065,036	1,481,310	-	5,466,709	52,325,470
1,209,361	798,398	11,237,170	2,065,036	1,481,310	-	5,466,709	52,325,470
<u>\$ 1,209,361</u>	<u>\$ 820,142</u>	<u>\$ 11,354,524</u>	<u>\$ 2,065,879</u>	<u>\$ 1,481,310</u>	<u>\$ 256,743</u>	<u>\$ 5,467,965</u>	<u>\$ 54,277,917</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, 2010**

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
<b>REVENUES:</b>						
Use of money and property	\$ 87,046	\$ 11,062	\$ 29,795	\$ 56,880	\$ 85,430	\$ 19,819
Development fees	-	-	99,617	475,643	78,000	106,176
Reimbursements	-	-	-	-	88,221	-
Contributions and donations	-	-	-	-	-	-
Other revenues	7,419	-	-	-	-	-
<b>Total revenues</b>	<b>94,465</b>	<b>11,062</b>	<b>129,412</b>	<b>532,523</b>	<b>251,651</b>	<b>125,995</b>
<b>EXPENDITURES:</b>						
Current:						
Operations services	-	-	-	-	-	-
Community activities	1,157	1,000	-	-	-	34,388
Capital outlay	7,210,228	-	353,905	-	642,895	211,480
Debt service						
Principal	-	530,000	-	-	-	-
<b>Total expenditures</b>	<b>7,211,385</b>	<b>531,000</b>	<b>353,905</b>	<b>-</b>	<b>642,895</b>	<b>245,868</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,116,920)</b>	<b>(519,938)</b>	<b>(224,493)</b>	<b>532,523</b>	<b>(391,244)</b>	<b>(119,873)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	920,311	-	156,342	75,000	-	-
Transfers out	(709,468)	(1,200,000)	(231,342)	-	-	-
<b>Total other financing sources (uses)</b>	<b>210,843</b>	<b>(1,200,000)</b>	<b>(75,000)</b>	<b>75,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(6,906,077)</b>	<b>(1,719,938)</b>	<b>(299,493)</b>	<b>607,523</b>	<b>(391,244)</b>	<b>(119,873)</b>
<b>FUND BALANCES:</b>						
Beginning of year	15,882,681	3,717,616	3,512,859	4,867,365	8,915,575	2,000,492
End of year	\$ 8,976,604	\$ 1,997,678	\$ 3,213,366	\$ 5,474,888	\$ 8,524,331	\$ 1,880,619

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
\$ 7,212	\$ 8,142	\$ 120,639	\$ 10,075	\$ 12,112	\$ -	\$ 64,530	\$ 512,742
-	-	-	-	759,808	-	-	1,519,244
-	-	1,000,000	-	-	-	-	1,088,221
-	-	1,615,000	-	-	-	-	1,615,000
-	-	-	73	-	-	-	7,492
7,212	8,142	2,735,639	10,148	771,920	-	64,530	4,742,699
28,666	-	-	23,047	-	-	-	51,713
-	-	-	-	-	-	95,000	131,545
-	5,759	461,914	159,353	25,908	-	489,411	9,560,853
-	-	-	-	-	-	-	530,000
28,666	5,759	461,914	182,400	25,908	-	584,411	10,274,111
(21,454)	2,383	2,273,725	(172,252)	746,012	-	(519,881)	(5,531,412)
1,200,000	-	-	-	-	-	53,470	2,405,123
-	-	(372,840)	-	-	-	-	(2,513,650)
1,200,000	-	(372,840)	-	-	-	53,470	(108,527)
1,178,546	2,383	1,900,885	(172,252)	746,012	-	(466,411)	(5,639,939)
30,815	796,015	9,336,285	2,237,288	735,298	-	5,933,120	57,965,409
\$ 1,209,361	\$ 798,398	\$ 11,237,170	\$ 2,065,036	\$ 1,481,310	\$ -	\$ 5,466,709	\$ 52,325,470

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 60,000	\$ 239,000	\$ 87,046	\$ (151,954)
Other revenues	-	7,419	7,419	-
<b>Total revenues</b>	<b>60,000</b>	<b>246,419</b>	<b>94,465</b>	<b>(151,954)</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	1,515,277	315,277	1,157	314,120
Capital outlay	12,392,792	13,516,111	7,210,228	6,305,883
<b>Total expenditures</b>	<b>13,908,069</b>	<b>13,831,388</b>	<b>7,211,385</b>	<b>6,620,003</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,848,069)</b>	<b>(13,584,969)</b>	<b>(7,116,920)</b>	<b>6,468,049</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	294,943	920,311	625,368
Transfers out	632,762	(716,862)	(709,468)	7,394
<b>Total other financing sources (uses)</b>	<b>632,762</b>	<b>(421,919)</b>	<b>210,843</b>	<b>632,762</b>
<b>Net change in fund balances</b>	<b>\$ (13,215,307)</b>	<b>\$ (14,006,888)</b>	<b>(6,906,077)</b>	<b>\$ 7,100,811</b>
<b>FUND BALANCES:</b>				
Beginning of year			15,882,681	
End of year			<b>\$ 8,976,604</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CIP for Downtown and North Pleasanton**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 44,000	\$ 11,062	\$ (32,938)
<b>Total revenues</b>	<b>-</b>	<b>44,000</b>	<b>11,062</b>	<b>(32,938)</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	1,000	1,000	-
Capital outlay	3,121,736	1,921,736	-	1,921,736
Debt service				
Principal	530,000	530,000	530,000	-
<b>Total expenditures</b>	<b>3,651,736</b>	<b>2,452,736</b>	<b>531,000</b>	<b>1,921,736</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,651,736)</b>	<b>(2,408,736)</b>	<b>(519,938)</b>	<b>1,888,798</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(1,200,000)	(1,200,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,200,000)</b>	<b>(1,200,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (3,651,736)</b>	<b>\$ (3,608,736)</b>	<b>(1,719,938)</b>	<b>\$ 1,888,798</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,717,616	
End of year			\$ 1,997,678	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 58,500	\$ 29,795	\$ (28,705)
Development fees	134,781	46,878	99,617	52,739
<b>Total revenues</b>	<b>174,781</b>	<b>105,378</b>	<b>129,412</b>	<b>24,034</b>
<b>EXPENDITURES:</b>				
Capital outlay	2,634,207	2,634,207	353,905	2,280,302
<b>Total expenditures</b>	<b>2,634,207</b>	<b>2,634,207</b>	<b>353,905</b>	<b>2,280,302</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	156,342	156,342
Transfers out	(233,191)	(233,191)	(231,342)	1,849
<b>Total other financing sources (uses)</b>	<b>(233,191)</b>	<b>(233,191)</b>	<b>(75,000)</b>	<b>158,191</b>
<b>Net change in fund balances</b>	<b>\$ (2,692,617)</b>	<b>\$ (2,762,020)</b>	<b>(299,493)</b>	<b>\$ 2,462,527</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,512,859	
End of year			<b>\$ 3,213,366</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Neighborhood Park Development Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 101,500	\$ 56,880	\$ (44,620)
Development fees	95,332	58,242	475,643	417,401
<b>Total revenues</b>	<b>95,332</b>	<b>159,742</b>	<b>532,523</b>	<b>372,781</b>
<b>EXPENDITURES:</b>				
Capital outlay	4,742,499	4,742,499	-	4,742,499
<b>Total expenditures</b>	<b>4,742,499</b>	<b>4,742,499</b>	<b>-</b>	<b>4,742,499</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,647,167)</b>	<b>(4,582,757)</b>	<b>532,523</b>	<b>5,115,280</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	75,000	75,000	75,000	-
<b>Total other financing sources (uses)</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (4,572,167)</b>	<b>\$ (4,507,757)</b>	<b>607,523</b>	<b>\$ 5,115,280</b>
<b>FUND BALANCES:</b>				
Beginning of year			4,867,365	
End of year			<b>\$ 5,474,888</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Street Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 80,000	\$ 158,000	\$ 85,430	\$ (72,570)
Development fees	50,000	23,400	78,000	54,600
Reimbursements	4,300	27,905	88,221	60,316
<b>Total revenues</b>	<b>134,300</b>	<b>209,305</b>	<b>251,651</b>	<b>42,346</b>
<b>EXPENDITURES:</b>				
Capital outlay	8,281,914	8,888,032	642,895	8,245,137
<b>Total expenditures</b>	<b>8,281,914</b>	<b>8,888,032</b>	<b>642,895</b>	<b>8,245,137</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,147,614)</b>	<b>(8,678,727)</b>	<b>(391,244)</b>	<b>8,287,483</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	300,000	300,000	-	(300,000)
<b>Total other financing sources (uses)</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>(300,000)</b>
<b>Net change in fund balances</b>	<b>\$ (7,847,614)</b>	<b>\$ (8,378,727)</b>	<b>(391,244)</b>	<b>\$ 7,987,483</b>
<b>FUND BALANCES:</b>				
Beginning of year			8,915,575	
End of year			<b>\$ 8,524,331</b>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 37,000	\$ 19,819	\$ (17,181)
Development fees	219,790	49,778	106,176	56,398
<b>Total revenues</b>	<b>229,790</b>	<b>86,778</b>	<b>125,995</b>	<b>39,217</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	111,040	111,040	34,388	76,652
Capital outlay	1,403,858	1,403,858	211,480	1,192,378
<b>Total expenditures</b>	<b>1,514,898</b>	<b>1,514,898</b>	<b>245,868</b>	<b>1,269,030</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,285,108)</b>	<b>(1,428,120)</b>	<b>(119,873)</b>	<b>1,308,247</b>
<b>Net change in fund balances</b>	<b>\$ (1,285,108)</b>	<b>\$ (1,428,120)</b>	<b>(119,873)</b>	<b>\$ 1,308,247</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,000,492	
End of year			<b>\$ 1,880,619</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance N.P.I.D. Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 7,212	\$ 7,212
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>7,212</b>	<b>7,212</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	7,211	28,666	(21,455)
Capital outlay	20,942	22,924	-	22,924
<b>Total expenditures</b>	<b>20,942</b>	<b>30,135</b>	<b>28,666</b>	<b>1,469</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(20,942)</b>	<b>(30,135)</b>	<b>(21,454)</b>	<b>1,469</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,200,000	1,200,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (20,942)</b>	<b>\$ 1,169,865</b>	<b>1,178,546</b>	<b>\$ 1,469</b>
<b>FUND BALANCES:</b>				
Beginning of year			30,815	
End of year			<b>\$ 1,209,361</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact - Bernal Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 14,000	\$ 8,142	\$ (5,858)
<b>Total revenues</b>	<b>-</b>	<b>14,000</b>	<b>8,142</b>	<b>(5,858)</b>
<b>EXPENDITURES:</b>				
Capital Outlay	692,221	692,221	5,759	686,462
<b>Total expenditures</b>	<b>692,221</b>	<b>692,221</b>	<b>5,759</b>	<b>686,462</b>
<b>Net change in fund balances</b>	<b>\$ (692,221)</b>	<b>\$ (678,221)</b>	<b>2,383</b>	<b>\$ 680,604</b>
<b>FUND BALANCES:</b>				
Beginning of year			796,015	
End of year			<b>\$ 798,398</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Budgeted Developer Projects Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 120,639	\$ 120,639
Contributions and donations	-	-	1,615,000	1,615,000
Reimbursements	-	-	1,000,000	1,000,000
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,735,639</b>	<b>2,735,639</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	-	-	-
Capital outlay	4,407,963	4,407,963	461,914	3,946,049
<b>Total expenditures</b>	<b>4,407,963</b>	<b>4,407,963</b>	<b>461,914</b>	<b>3,946,049</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	(372,840)	(372,840)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(372,840)</b>	<b>(372,840)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (4,407,963)</b>	<b>\$ (4,780,803)</b>	<b>1,900,885</b>	<b>\$ 6,681,688</b>
<b>FUND BALANCES:</b>				
Beginning of year			9,336,285	
End of year			<b>\$ 11,237,170</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Assessment District Construction Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 10,600	\$ 10,075	\$ (525)
Other revenues	-	-	73	73
<b>Total revenues</b>	<b>10,000</b>	<b>10,600</b>	<b>10,148</b>	<b>(452)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	22,154	22,342	23,047	(705)
Capital outlay	1,426,064	1,415,078	159,353	1,255,725
<b>Total expenditures</b>	<b>1,448,218</b>	<b>1,437,420</b>	<b>182,400</b>	<b>1,255,020</b>
<b>Net change in fund balances</b>	<b>\$ (1,438,218)</b>	<b>\$ (1,426,820)</b>	<b>(172,252)</b>	<b>\$ (1,255,472)</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,237,288	
End of year			\$ 2,065,036	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Tri-Valley Transportation Capital Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 14,000	\$ 12,112	\$ (1,888)
Development fees	1,316,476	1,305,053	759,808	(545,245)
<b>Total revenues</b>	<b>1,326,476</b>	<b>1,319,053</b>	<b>771,920</b>	<b>(547,133)</b>
<b>EXPENDITURES:</b>				
Capital outlay	1,819,078	1,819,078	25,908	1,793,170
<b>Total expenditures</b>	<b>1,819,078</b>	<b>1,819,078</b>	<b>25,908</b>	<b>1,793,170</b>
<b>Net change in fund balances</b>	<b>\$ (492,602)</b>	<b>\$ (500,025)</b>	<b>746,012</b>	<b>\$ 1,246,037</b>
<b>FUND BALANCES:</b>				
Beginning of year			735,298	
End of year			<b>\$ 1,481,310</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Mutual Benefits District Fund**  
**For the year ended June 30, 2010**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Park Capital Improvement Projects Fund**  
**For the year ended June 30, 2010**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 60,000	\$ 114,000	\$ 64,530	\$ (49,470)
Intergovernmental	-	-	-	-
<b>Total revenues</b>	<b>60,000</b>	<b>114,000</b>	<b>64,530</b>	<b>(49,470)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	50,000	95,000	(45,000)
Capital outlay	5,709,865	4,873,434	489,411	4,384,023
<b>Total expenditures</b>	<b>5,709,865</b>	<b>4,923,434</b>	<b>584,411</b>	<b>4,339,023</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,649,865)</b>	<b>(4,809,434)</b>	<b>(519,881)</b>	<b>4,289,553</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	53,470	53,470	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>53,470</b>	<b>53,470</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (5,649,865)</b>	<b>\$ (4,755,964)</b>	<b>(466,411)</b>	<b>\$ 4,289,553</b>
<b>FUND BALANCES:</b>				
Beginning of year			5,933,120	
End of year			<b>\$ 5,466,709</b>	



## 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, 2010**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 114,567	\$ 376,236	\$ 490,803
Receivables (net):				
Accounts	40,817	-	-	40,817
Interest	-	540	-	540
Total current assets	40,817	115,107	376,236	532,160
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	10,000	51,750	61,750
Depreciable	277,570	-	483,254	760,824
Total noncurrent assets	277,570	10,000	535,004	822,574
<b>Total assets</b>	<b>318,387</b>	<b>125,107</b>	<b>911,240</b>	<b>1,354,734</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	119	1,792	17,523	19,434
Payroll payable	20,206	-	-	20,206
Due to other funds	19,921	-	-	19,921
Interest payable	-	-	7,695	7,695
Refundable deposits	-	-	12,128	12,128
Deferred revenue	571	-	64,399	64,970
Notes payable - current portion	-	-	54,612	54,612
Total current liabilities	40,817	1,792	156,357	198,966
Noncurrent liabilities:				
Notes payable	-	-	120,263	120,263
Total noncurrent liabilities	-	-	120,263	120,263
<b>Total liabilities</b>	<b>40,817</b>	<b>1,792</b>	<b>276,620</b>	<b>319,229</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	277,570	10,000	360,129	647,699
Unrestricted	-	113,315	274,491	387,806
<b>Total net assets</b>	<b>\$ 277,570</b>	<b>\$ 123,315</b>	<b>\$ 634,620</b>	<b>\$ 1,035,505</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Change in Fund Net Assets**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2010**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 40,306	\$ -	\$ 160,093	\$ 200,399
Miscellaneous	-	1,046	336,549	337,595
<b>Total operating revenues</b>	<b>40,306</b>	<b>1,046</b>	<b>496,642</b>	<b>537,994</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	565,393	-	136,557	701,950
Transportation	36,576	-	-	36,576
Repairs and maintenance	4,692	-	96,525	101,217
Materials, supplies, and services	13,690	207,186	82,538	303,414
Depreciation	66,919	-	97,482	164,401
<b>Total operating expenses</b>	<b>687,270</b>	<b>207,186</b>	<b>413,102</b>	<b>1,307,558</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(646,964)</b>	<b>(206,140)</b>	<b>83,540</b>	<b>(769,564)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Grants	285,778	-	-	285,778
Interest income	-	1,703	3,231	4,934
Interest expense	-	-	(12,669)	(12,669)
<b>Total non-operating revenues (expenses)</b>	<b>285,778</b>	<b>1,703</b>	<b>(9,438)</b>	<b>278,043</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(361,186)</b>	<b>(204,437)</b>	<b>74,102</b>	<b>(491,521)</b>
Transfers in	392,165	30,000	-	422,165
<b>Change in net assets</b>	<b>30,979</b>	<b>(174,437)</b>	<b>74,102</b>	<b>(69,356)</b>
<b>NET ASSETS:</b>				
Beginning of year	246,591	297,752	560,518	1,104,861
End of year	<b>\$ 277,570</b>	<b>\$ 123,315</b>	<b>\$ 634,620</b>	<b>\$ 1,035,505</b>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2010**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customers	\$ 46,859	\$ -	\$ 187,214	\$ 234,073
Cash payment to suppliers for goods and services	(64,376)	(209,595)	(179,132)	(453,103)
Cash payment to employees for services	(561,844)	-	(136,557)	(698,401)
Miscellaneous revenue	-	1,046	336,549	337,595
<b>Net cash provided (used) by operating activities</b>	<b>(579,361)</b>	<b>(208,549)</b>	<b>208,074</b>	<b>(579,836)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Grants received	285,778	-	-	285,778
Transfer in	392,165	30,000	-	422,165
<b>Net cash provided (used) by noncapital financing activities</b>	<b>677,943</b>	<b>30,000</b>	<b>-</b>	<b>707,943</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payments on long-term debt	-	-	(51,230)	(51,230)
Interest payment	-	-	(14,923)	(14,923)
Capital assets acquisition	(98,582)	-	(98,571)	(197,153)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(98,582)</b>	<b>-</b>	<b>(164,724)</b>	<b>(263,306)</b>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES</b>				
Interest received	-	2,361	3,231	5,592
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>2,361</b>	<b>3,231</b>	<b>5,592</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>(176,188)</b>	<b>46,581</b>	<b>(129,607)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	-	290,755	329,655	620,410
End of year	\$ -	\$ 114,567	\$ 376,236	\$ 490,803
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (646,964)	\$ (206,140)	\$ 83,540	\$ (769,564)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	66,919	-	97,482	164,401
Decrease (increase) in:				
Accounts receivable	6,854	-	-	6,854
Increase (decrease) in:				
Accounts payable	(117)	(2,409)	(69)	(2,595)
Accrued payroll	3,549	-	-	3,549
Due to other funds	(9,301)	-	-	(9,301)
Deferred revenue	(301)	-	27,548	27,247
Refundable deposits	-	-	(427)	(427)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (579,361)</b>	<b>\$ (208,549)</b>	<b>\$ 208,074</b>	<b>\$ (579,836)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital assets contributed by developers	\$ -	\$ -	\$ -	\$ -
<b>Total noncash capital and related financing activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## INTERNAL SERVICE FUNDS

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

### **Employee Benefits**

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

### **Public Art Acquisition and Maintenance**

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

### **Replacement/ Renovation**

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

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

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

### **Self Insurance Retention**

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

### **Retirees Insurance Reserve**

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

**City of Pleasanton**  
**Combining Balance Sheet**  
**Internal Services Funds**  
**June 30, 2010**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 12,882,362	\$ 277,085	\$ 23,891,854	\$ 10,070,253
Accounts receivable	3,247	-	7,061	-
Interest receivable	73,685	1,718	128,103	59,829
Total current assets	12,959,294	278,803	24,027,018	10,130,082
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	955,559	-
Depreciable	-	-	8,134,759	-
Total noncurrent assets	-	-	9,090,318	-
<b>Total assets</b>	12,959,294	278,803	33,117,336	10,130,082
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	686,626	33,112	150,711	2,780
Payroll payable	27,436	-	-	-
Accrued compensated absences	985,032	-	-	-
Claims payable	718,693	-	-	-
Total current liabilities	2,417,787	33,112	150,711	2,780
Noncurrent liabilities:				
Accrued compensated absences, due in more than one year	4,290,759	-	-	-
Claims payable, due in more than one year	1,732,452	-	-	-
Total noncurrent liabilities	6,023,211	-	-	-
<b>Total liabilities</b>	8,440,998	33,112	150,711	2,780
<b>NET ASSETS</b>				
Investment in capital assets, net of related debt	-	-	9,090,318	-
Unrestricted	4,518,296	245,691	23,876,307	10,127,302
<b>Total net assets</b>	\$ 4,518,296	\$ 245,691	\$ 32,966,625	\$ 10,127,302



<u>Self Insurance Retention</u>	<u>Retiree Insurance Reserve</u>	<u>Total</u>
\$ 7,786,748	\$ 31,572,980	\$ 86,481,282
1,267	-	11,575
<u>42,680</u>	<u>171,134</u>	<u>477,149</u>
<u>7,830,695</u>	<u>31,744,114</u>	<u>86,970,006</u>
-	-	955,559
-	-	<u>8,134,759</u>
-	-	<u>9,090,318</u>
<u>7,830,695</u>	<u>31,744,114</u>	<u>96,060,324</u>
1,156	15,109	889,494
-	-	27,436
-	-	985,032
<u>2,089,281</u>	<u>-</u>	<u>2,807,974</u>
<u>2,090,437</u>	<u>15,109</u>	<u>4,709,936</u>
-	-	4,290,759
<u>231,032</u>	<u>-</u>	<u>1,963,484</u>
<u>231,032</u>	<u>-</u>	<u>6,254,243</u>
<u>2,321,469</u>	<u>15,109</u>	<u>10,964,179</u>
-	-	9,090,318
<u>5,509,226</u>	<u>31,729,005</u>	<u>76,005,827</u>
<u>\$ 5,509,226</u>	<u>\$ 31,729,005</u>	<u>\$ 85,096,145</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Internal Services Funds**  
**For the year ended June 30, 2010**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 21,806,883	\$ -	\$ 2,639,022	\$ 700,000
Miscellaneous	9,514	30,221	166	-
<b>Total operating revenues</b>	<b>21,816,397</b>	<b>30,221</b>	<b>2,639,188</b>	<b>700,000</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	20,018,615	-	-	2,033,617
Materials, supplies, and services	1,716,203	245,176	1,932,193	934
Provision for claim losses	-	-	-	-
Depreciation and amortization	-	-	1,333,813	-
<b>Total operating expenses</b>	<b>21,734,818</b>	<b>245,176</b>	<b>3,266,006</b>	<b>2,034,551</b>
<b>OPERATING INCOME (LOSS)</b>	<b>81,579</b>	<b>(214,955)</b>	<b>(626,818)</b>	<b>(1,334,551)</b>
<b>NONOPERATING REVENUES/EXPENSES:</b>				
Interest income	169,918	2,689	231,012	101,590
Gain (loss) from disposal of fixed assets	-	-	(5,313)	-
<b>Total non-operating revenues (expenses)</b>	<b>169,918</b>	<b>2,689</b>	<b>225,699</b>	<b>101,590</b>
<b>Income before Transfers in (out)</b>	<b>251,497</b>	<b>(212,266)</b>	<b>(401,119)</b>	<b>(1,232,961)</b>
Transfers in	-	-	84,100	-
Transfers out	(2,016,012)	-	-	-
<b>Change in net assets</b>	<b>(1,764,515)</b>	<b>(212,266)</b>	<b>(317,019)</b>	<b>(1,232,961)</b>
<b>NET ASSETS:</b>				
Beginning of year	6,282,811	457,957	33,283,644	11,360,263
End of year	<b>\$ 4,518,296</b>	<b>\$ 245,691</b>	<b>\$ 32,966,625</b>	<b>\$ 10,127,302</b>



Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 300,000	\$ 4,132,501	\$ 29,578,406
23,723	-	63,624
<u>323,723</u>	<u>4,132,501</u>	<u>29,642,030</u>
-	4,228,809	26,281,041
1,631,148	1,686	5,527,340
1,990,000	-	1,990,000
-	-	1,333,813
<u>3,621,148</u>	<u>4,230,495</u>	<u>35,132,194</u>
<u>(3,297,425)</u>	<u>(97,994)</u>	<u>(5,490,164)</u>
83,043	298,069	886,321
-	-	(5,313)
<u>83,043</u>	<u>298,069</u>	<u>881,008</u>
(3,214,382)	200,075	(4,609,156)
-	-	84,100
-	-	(2,016,012)
<u>(3,214,382)</u>	<u>200,075</u>	<u>(6,541,068)</u>
<u>8,723,608</u>	<u>31,528,930</u>	<u>91,637,213</u>
<u>\$ 5,509,226</u>	<u>\$ 31,729,005</u>	<u>\$ 85,096,145</u>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Internal Services Funds**  
**For the year ended June 30, 2010**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipt from customer/other funds	\$ 21,803,636	\$ -	\$ 2,642,758
Cash payment to suppliers for goods and services	(952,061)	(212,619)	(2,053,124)
Cash payment to employees for services	(20,088,554)	-	-
Miscellaneous revenue	9,514	30,221	166
<b>Net cash provided (used) by operating activities</b>	<b>772,535</b>	<b>(182,398)</b>	<b>589,800</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Transfer out	(2,016,012)	-	-
Capital assets acquisition	-	-	(646,441)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(2,016,012)</b>	<b>-</b>	<b>(562,341)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	213,411	4,917	301,313
<b>Net cash provided (used) by investing activities</b>	<b>213,411</b>	<b>4,917</b>	<b>301,313</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,030,066)</b>	<b>(177,481)</b>	<b>328,772</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	13,912,428	454,566	23,563,082
End of year	\$ 12,882,362	\$ 277,085	\$ 23,891,854
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 81,579	\$ (214,955)	\$ (626,818)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	-	1,333,813
Decrease (increase) in:			
Accounts receivable	(3,247)	-	3,736
Increase (decrease) in:			
Accounts payable	138,920	32,557	(120,931)
Payroll payable	27,322	-	-
Accrued compensated absences	(97,261)	-	-
Claims payable	625,222	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 772,535</b>	<b>\$ (182,398)</b>	<b>\$ 589,800</b>

Livermore / Pleasanton		Retirees		
Fire Retirees Insurance Reserve	Self Insurance Retention	Insurance Reserve		Total
\$ 700,000	\$ 298,733	\$ 4,132,501		\$ 29,577,628
(1,351)	(1,700,022)	(5,678)		(4,924,855)
(2,033,617)	-	(4,228,809)		(26,350,980)
-	23,723	-		63,624
<u>(1,334,968)</u>	<u>(1,377,566)</u>	<u>(101,986)</u>		<u>(1,634,583)</u>
-	-	-		(2,016,012)
-	-	-		(646,441)
-	-	-		(2,578,353)
146,155	107,698	403,551		1,177,045
<u>146,155</u>	<u>107,698</u>	<u>403,551</u>		<u>1,177,045</u>
(1,188,813)	(1,269,868)	301,565		(3,035,891)
11,259,066	9,056,616	31,271,415		89,517,173
<u>\$ 10,070,253</u>	<u>\$ 7,786,748</u>	<u>\$ 31,572,980</u>		<u>\$ 86,481,282</u>
\$ (1,334,551)	\$ (3,297,425)	\$ (97,994)		\$ (5,490,164)
-	-	-		1,333,813
-	(1,267)	-		(778)
(417)	(5,736)	(3,992)		40,401
-	-	-		27,322
-	-	-		(97,261)
-	1,926,862	-		2,552,084
<u>\$ (1,334,968)</u>	<u>\$ (1,377,566)</u>	<u>\$ (101,986)</u>		<u>\$ (1,634,583)</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, 2010**

	Miscellaneous		
	Retiree	Fire Retiree	
	Medical	Medical	Total
<b>ADDITIONS:</b>			
Investment income	\$ 16,556	\$ 8,634	\$ 25,190
Contributions: Employer	2,800,000	1,500,000	4,300,000
<b>Total additions</b>	<b>2,816,556</b>	<b>1,508,634</b>	<b>4,325,190</b>
<b>Changes in net assets</b>	<b>2,816,556</b>	<b>1,508,634</b>	<b>4,325,190</b>
<b>NET ASSETS:</b>			
Beginning of year	3,600,000	1,900,000	5,500,000
End of year	<u>\$ 6,416,556</u>	<u>\$ 3,408,634</u>	<u>\$ 9,825,190</u>

See accompanying Notes to Basic Financial Statements.

## AGENCY FUNDS

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

### **Employee Insurance Agency**

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

### **Downtown Merchant Improvements**

This fund collects annual assessments from downtown businesses and passes it on to the Pleasanton Downtown Association.

### **Asset Forfeiture Agency**

This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other government agencies.

### **Miscellaneous Agencies and Trusts**

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

### **Cash Bonds Agency**

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

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

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

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

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

**City of Pleasanton**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2010**

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
<b>ASSETS</b>					
Cash and investments	\$ 24,644	\$ 32,420	\$ 7,263	\$ 200,935	\$ 919,926
Receivables:					
Accounts	19,518	-	-	209,797	-
Interest	-	218	-	-	-
<b>Total assets</b>	<b>\$ 44,162</b>	<b>\$ 32,638</b>	<b>\$ 7,263</b>	<b>\$ 410,732</b>	<b>\$ 919,926</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 44,162	\$ -	\$ -	\$ 355,860	\$ 6,450
Due to Bondholders	-	-	-	-	-
Deposits	-	32,638	7,263	54,872	913,476
<b>Total liabilities</b>	<b>\$ 44,162</b>	<b>\$ 32,638</b>	<b>\$ 7,263</b>	<b>\$ 410,732</b>	<b>\$ 919,926</b>





<u>1915 Act Bond Interest and Redemption</u>	<u>Pleasanton Joint Powers Financing Authority</u>	<u>Total</u>
\$ 13,477,168	\$ -	\$ 14,662,356
35,043	-	264,358
7,171	-	7,389
<u>\$ 13,519,382</u>	<u>\$ -</u>	<u>\$ 14,934,103</u>

\$ -	\$ -	\$ 406,472
13,519,382	-	13,519,382
-	-	1,008,249
<u>\$ 13,519,382</u>	<u>\$ -</u>	<u>\$ 14,934,103</u>

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Employee Insurance Agency</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 32,915	\$ 829,321	\$ (837,592)	\$ 24,644
Accounts receivable	18,244	338,255	(336,981)	19,518
<b>Total assets</b>	<b>\$ 51,159</b>	<b>\$ 1,167,576</b>	<b>\$ (1,174,573)</b>	<b>\$ 44,162</b>
<b>Liabilities:</b>				
Accounts payable	\$ 51,159	\$ 518,968	\$ (525,965)	\$ 44,162
<b>Total liabilities</b>	<b>\$ 51,159</b>	<b>\$ 518,968</b>	<b>\$ (525,965)</b>	<b>\$ 44,162</b>
<b><u>Downtown Merchant Association</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 33,647	\$ 60,930	\$ (62,157)	\$ 32,420
Interest receivable	275	673	(730)	218
<b>Total assets</b>	<b>\$ 33,922</b>	<b>\$ 61,603</b>	<b>\$ (62,887)</b>	<b>\$ 32,638</b>
<b>Liabilities:</b>				
Deposits	\$ 33,922	\$ 60,656	\$ (61,940)	\$ 32,638
<b>Total liabilities</b>	<b>\$ 33,922</b>	<b>\$ 60,656</b>	<b>\$ (61,940)</b>	<b>\$ 32,638</b>
<b><u>Asset Forfeiture</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 20,123	\$ -	\$ (12,860)	\$ 7,263
<b>Total assets</b>	<b>\$ 20,123</b>	<b>\$ -</b>	<b>\$ (12,860)</b>	<b>\$ 7,263</b>
<b>Liabilities:</b>				
Deposits	\$ 20,123	\$ -	\$ (12,860)	\$ 7,263
<b>Total liabilities</b>	<b>\$ 20,123</b>	<b>\$ -</b>	<b>\$ (12,860)</b>	<b>\$ 7,263</b>
<b><u>Miscellaneous Agencies and Trust</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 166,741	\$ 2,776,139	\$ (2,741,945)	\$ 200,935
Accounts receivable	169,834	209,804	(169,841)	209,797
<b>Total assets</b>	<b>\$ 336,575</b>	<b>\$ 2,985,943</b>	<b>\$ (2,911,786)</b>	<b>\$ 410,732</b>
<b>Liabilities:</b>				
Accounts payable	\$ 280,652	\$ 2,274,840	\$ (2,198,633)	\$ 356,859
Deposits	55,923	-	(2,050)	53,873
<b>Total liabilities</b>	<b>\$ 336,575</b>	<b>\$ 2,274,840</b>	<b>\$ (2,200,683)</b>	<b>\$ 410,732</b>

(Continued)

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds, Continued**  
**For the year ended June 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Cash Bonds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,170,561	\$ 14,500	\$ (265,135)	\$ 919,926
<b>Total assets</b>	<b>\$ 1,170,561</b>	<b>\$ 14,500</b>	<b>\$ (265,135)</b>	<b>\$ 919,926</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 36,450	(30,000)	6,450
Deposits	1,170,561	14,500	(271,585)	913,476
<b>Total liabilities</b>	<b>\$ 1,170,561</b>	<b>\$ 50,950</b>	<b>\$ (301,585)</b>	<b>\$ 919,926</b>
<b><u>1915 Act Bond</u></b>				
<b><u>Interest and Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 14,271,574	\$ 11,646,944	\$ (12,441,350)	\$ 13,477,168
Receivables:				
Accounts	5,307	78,588	(48,852)	35,043
Interest	107,479	9,905	(110,213)	7,171
Notes	87,105	-	(87,105)	-
<b>Total assets</b>	<b>\$ 14,471,465</b>	<b>\$ 11,735,437</b>	<b>\$ (12,687,520)</b>	<b>\$ 13,519,382</b>
<b>Liabilities:</b>				
Due to Bondholders	\$ 14,471,465	\$ 11,451,807	\$ (12,403,890)	\$ 13,519,382
<b>Total liabilities</b>	<b>\$ 14,471,465</b>	<b>\$ 11,451,807</b>	<b>\$ (12,403,890)</b>	<b>\$ 13,519,382</b>
<b><u>Pleasanton Joint Powers</u></b>				
<b><u>Financing Authority</u></b>				
<b>Assets:</b>				
Restricted cash and investments	\$ 63	\$ 10,881,482	\$ (10,881,545)	\$ -
<b>Total assets</b>	<b>\$ 63</b>	<b>\$ 10,881,482</b>	<b>\$ (10,881,545)</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 63	\$ 10,881,482	\$ (10,881,545)	\$ -
<b>Total liabilities</b>	<b>\$ 63</b>	<b>\$ 10,881,482</b>	<b>\$ (10,881,545)</b>	<b>\$ -</b>
<b><u>Total of All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 15,695,561	\$ 15,327,834	\$ (16,361,039)	\$ 14,662,356
Receivables:				
Accounts	193,385	626,647	(555,674)	264,358
Interest	107,754	10,578	(110,943)	7,389
Restricted cash and investments	63	10,881,482	(10,881,545)	-
Notes receivables	87,105	-	(87,105)	-
<b>Total assets</b>	<b>\$ 16,083,868</b>	<b>\$ 26,846,541</b>	<b>\$ (27,996,306)</b>	<b>\$ 14,934,103</b>
<b>Liabilities:</b>				
Accounts payable	\$ 331,811	\$ 2,830,258	\$ (2,754,598)	\$ 407,471
Due to bondholders	14,471,528	22,333,289	(23,285,435)	13,519,382
Deposits	1,280,529	75,156	(348,435)	1,007,250
<b>Total liabilities</b>	<b>\$ 16,083,868</b>	<b>\$ 25,238,703</b>	<b>\$ (26,388,468)</b>	<b>\$ 14,934,103</b>

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## STATISTICAL SECTION

This part of the City of Pleasanton's comprehensive Annual Financial Report presents detailed information as a context for understanding what the information says about the City's overall financial health.

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This information is intended to assist user in understanding and assessing how a government's financial position has changed over time.	
<b><i>Revenue Capacity Information</i></b>	192
This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.	
<b><i>Debt Capacity Information</i></b>	199
This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	
<b><i>Demographic and Economic Information</i></b>	207
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.	
<b><i>Operating Information</i></b>	211
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 Nine Fiscal Years**

**Changes in Net Assets - Last Nine Fiscal Years**

**Fund Balances - Last Nine Fiscal Years**

**Changes in Fund Balances - Last Nine Fiscal Years**

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

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



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 376,469,051	\$ 378,710,205	\$ 387,184,839	\$ 408,670,524	\$ 447,001,813
47,775,291	50,280,585	56,544,224	49,187,538	52,277,108
<u>132,091,752</u>	<u>141,297,679</u>	<u>153,668,288</u>	<u>145,009,695</u>	<u>129,218,569</u>
<u>556,336,094</u>	<u>570,288,469</u>	<u>597,397,351</u>	<u>602,867,757</u>	<u>628,497,490</u>
183,167,289	204,187,116	210,923,039	214,389,793	210,069,900
814,068	686,964	620,850	610,294	264,948
<u>58,875,845</u>	<u>56,449,170</u>	<u>52,522,039</u>	<u>49,036,181</u>	<u>42,260,016</u>
<u>242,857,202</u>	<u>261,323,250</u>	<u>264,065,928</u>	<u>264,036,268</u>	<u>252,594,864</u>
559,636,340	582,897,321	598,107,878	623,060,317	657,071,713
48,589,359	50,967,549	57,165,074	49,797,832	52,542,056
<u>190,967,597</u>	<u>197,746,849</u>	<u>206,190,327</u>	<u>194,045,876</u>	<u>171,478,585</u>
<u>\$ 799,193,296</u>	<u>\$ 831,611,719</u>	<u>\$ 861,463,279</u>	<u>\$ 866,904,025</u>	<u>\$ 881,092,354</u>

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

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

\*In 2008-09 Planning Community Development and Public works were recognized into two functions: Community Development and Operation Services.

2006	2007	2008	2009	2010
\$ 10,142,529	\$ 11,598,637	\$ 9,928,811	\$ 10,751,657	\$ 14,462,794
43,286,424	45,396,698	47,939,264	53,586,653	53,923,103
7,376,026	5,527,218	5,054,123	12,485,756	10,931,688
26,053,044	25,333,753	27,080,827	16,774,701	16,120,414
17,783,181	20,576,380	20,866,873	25,180,011	21,559,192
1,276,016	1,232,732	1,202,153	1,159,175	1,122,135
<u>105,917,220</u>	<u>109,665,418</u>	<u>112,072,051</u>	<u>119,937,953</u>	<u>118,119,326</u>
15,197,789	16,863,032	16,671,095	20,941,922	17,710,045
11,457,129	12,906,227	13,883,619	13,968,779	14,794,022
2,810,105	5,904,610	5,737,159	5,249,520	5,530,246
518,813	508,760	557,103	708,954	687,793
1,288,566	1,529,192	1,531,754	1,894,830	1,866,985
	90,274	58,407	47,983	207,186
343,746	397,526	372,050	413,767	425,771
<u>31,616,148</u>	<u>38,199,621</u>	<u>38,811,187</u>	<u>43,225,755</u>	<u>41,222,048</u>
<u>\$ 137,533,368</u>	<u>\$ 147,865,039</u>	<u>\$ 150,883,238</u>	<u>\$ 163,163,708</u>	<u>\$ 159,341,374</u>
\$ 488,237	\$ 540,607	\$ 539,443	\$ 553,377	\$ 552,655
13,949,960	14,495,113	15,748,044	15,222,341	15,438,986
3,194,674	599,131	579,215	2,143,307	1,881,698
3,634,892	3,216,986	3,074,811	115,257	180,938
3,425,758	3,899,454	4,005,599	3,794,922	3,316,593
5,695,141	3,641,293	3,090,744	4,238,873	2,352,064
12,350,368	10,113,847	21,607,143	15,900,420	7,684,713
<u>42,739,030</u>	<u>36,506,431</u>	<u>48,644,999</u>	<u>41,968,497</u>	<u>31,407,647</u>
15,060,402	15,964,135	15,535,004	14,882,156	14,045,288
10,947,581	13,489,859	11,178,802	10,461,999	10,693,533
2,671,290	4,564,478	4,578,857	4,374,085	4,182,190
38,740	39,284	43,130	42,289	40,306
353,976	363,353	356,724	361,563	365,816
-	-	-	-	-
231,478	142,447	159,226	175,873	160,093
-	-	-	-	-
7,559,908	12,107,855	7,075,196	10,913,306	665,225
<u>36,863,375</u>	<u>46,671,411</u>	<u>38,926,939</u>	<u>41,211,271</u>	<u>30,152,451</u>
<u>\$ 79,602,405</u>	<u>\$ 83,177,842</u>	<u>\$ 87,571,938</u>	<u>\$ 83,179,768</u>	<u>\$ 61,560,098</u>

\*In 2008-09 Planning Community Development and Public works were recognized into two functions: Community Development and Operation Services.

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

	Fiscal Year Ending June 30			
	2002	2003	2004	2005
<b>Net (Expenses)/Revenue:</b>				
<b>Governmental Activities:</b>	\$ (56,085,661)	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)
<b>Business-Type Activities:</b>	839,992	10,097,335	1,913,060	3,599,101
<b>Total Net (Expense)/Revenue</b>	<u>\$ (55,245,669)</u>	<u>\$ 97,626,619</u>	<u>\$ (17,292,913)</u>	<u>\$ (46,455,756)</u>
<b>General Revenues &amp; Other Changes in Net Assets</b>				
<b>Governmental Activities:</b>				
<b>Taxes</b>				
Property taxes	\$ 29,370,379	\$ 31,203,614	\$ 33,310,777	\$ 36,670,867
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139
Infrastructure maintenance contribution	2,356,100	-	-	-
Unrestricted investment earnings	5,136,101	5,415,548	1,553,297	4,467,829
Miscellaneous	1,177,429	506,337	1,673,068	1,091,220
Interfund charges	-	742,905	170,367	1,413,457
Gain/(loss) on sale of capital assets	-	(161,883)	(3,592,355)	-
Transfers	(3,483,257)	(22,962,552)	(375,744)	(1,126,044)
<b>Total Government Activities:</b>	<u>63,459,671</u>	<u>44,658,915</u>	<u>61,956,874</u>	<u>71,664,066</u>
<b>Business-Type Activities:</b>				
Unrestricted investment earnings	1,627,169	1,592,843	400,146	1,733,994
Equity interest in gain from joint ventures	301,075	1,845,928	947,195	-
Miscellaneous	161	-	371,475	1,477,956
Interfund charges	-	(742,905)	(170,367)	(1,413,457)
Gain/(loss) on sale of capital assets	-	(210,059)	(6,676)	-
Transfers	3,483,257	22,962,552	375,744	1,126,044
<b>Total Business-Type Activities</b>	<u>5,411,662</u>	<u>25,448,359</u>	<u>1,917,517</u>	<u>2,924,537</u>
<b>Total Primary Government</b>	<u>68,871,333</u>	<u>70,107,274</u>	<u>63,874,391</u>	<u>74,588,603</u>
<b>Change in Net Assets</b>				
<b>Governmental Activities:</b>	7,374,010	132,188,199	42,750,901	21,609,209
<b>Business-Type Activities:</b>	6,251,654	35,545,694	3,830,577	6,523,638
<b>Total Primary Government</b>	<u>\$ 13,625,664</u>	<u>\$ 167,733,893</u>	<u>\$ 46,581,478</u>	<u>\$ 28,132,847</u>

\*In 2008-09 Planning Community Development and Public works were recognized into two functions: Community Development and Operation Services.

2006	2007	2008	2009	2010
\$ (63,178,190)	\$ (73,158,987)	\$ (63,427,052)	\$ (77,969,456)	\$ (86,711,679)
5,247,227	8,471,790	115,752	(2,014,484)	(11,069,597)
<u>\$ (57,930,963)</u>	<u>\$ (64,687,197)</u>	<u>\$ (63,311,300)</u>	<u>\$ (79,983,940)</u>	<u>\$ (97,781,276)</u>
\$ 41,257,246	\$ 45,341,149	\$ 47,973,499	\$ 50,414,405	\$ 49,724,115
7,484,133	7,534,768	7,257,360	6,031,852	5,957,264
21,029,378	21,060,115	21,130,683	17,535,784	15,420,066
1,538,398	403,401	304,886	236,475	206,180
1,578,689	1,727,617	1,783,405	1,829,153	1,955,493
-	-	-	-	-
4,230,879	9,654,142	10,554,711	6,863,523	1,766,743
641,283	792,476	641,888	663,770	647,235
1,322,631	-	-	-	-
-	-	-	-	-
(4,361,507)	597,694	889,502	144,302	393,080
<u>74,721,130</u>	<u>87,111,362</u>	<u>90,535,934</u>	<u>83,719,264</u>	<u>76,070,176</u>
1,109,607	2,181,462	1,898,546	1,176,950	267,730
1,918,111	-	-	-	-
598,693	802,445	1,617,882	1,078,280	1,151,141
(1,322,631)	-	-	-	-
-	-	-	-	-
4,361,507	(597,694)	(889,502)	(144,302)	(393,080)
<u>6,665,287</u>	<u>2,386,213</u>	<u>2,626,926</u>	<u>2,110,928</u>	<u>1,025,791</u>
<u>81,386,417</u>	<u>89,497,575</u>	<u>93,162,860</u>	<u>85,830,192</u>	<u>77,095,967</u>
11,542,940	13,952,375	27,108,882	5,749,808	(10,641,503)
11,912,514	10,858,003	2,742,678	96,444	(10,043,806)
<u>\$ 23,455,454</u>	<u>\$ 24,810,378</u>	<u>\$ 29,851,560</u>	<u>\$ 5,846,252</u>	<u>\$ (20,685,309)</u>

\*In 2008-09 Planning Community Development and Public works were recognized into two functions: Community Development and Operation Services.

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 605,264	\$ 1,360,798	\$ 643,256	\$ 1,756,537	\$ -
23,915,653	24,713,932	24,807,190	23,694,199	25,282,385
<u>24,520,917</u>	<u>26,074,730</u>	<u>25,450,446</u>	<u>25,450,736</u>	<u>25,282,385</u>
411,095	412,354	406,282	404,188	394,945
21,886,907	20,877,745	24,006,111	22,754,570	23,681,256
62,842,692	64,812,331	70,880,985	57,965,409	52,325,470
<u>\$ 85,140,694</u>	<u>\$ 86,102,430</u>	<u>\$ 95,293,378</u>	<u>\$ 81,124,167</u>	<u>\$ 76,401,671</u>

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

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Revenues:</b>					
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234
Special Assessments	690,772	677,416	187,775	195,654	215,035
Licenses	13,273	12,876	12,050	12,906	11,709
Permits	2,011,839	1,922,531	2,401,186	2,275,465	2,031,209
Fines and Forfeitures	533,572	562,417	689,309	630,864	575,524
Use of Money & Property	3,220,285	3,796,195	1,665,186	3,519,701	2,766,468
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526	6,171,443
Franchises	1,740,281	1,489,967	1,403,790	1,465,139	1,578,689
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506	13,747,992
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045	3,685,255
Plan Check fees	1,176,506	774,429	1,126,924	924,146	1,119,904
Reimbursements	741,472	888,428	1,729,241	1,520,518	1,786,422
Contributions and Donations	309,918	721,167	6,023,264	4,091,889	3,417,226
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421	3,520,069
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010	3,318,406
	<u>91,208,127</u>	<u>102,912,106</u>	<u>107,883,681</u>	<u>108,144,201</u>	<u>113,170,585</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	7,009,811	10,285,596	9,176,425	9,333,247	10,279,430
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855	43,826,861
Community Development *	3,316,758	3,482,879	5,484,984	3,611,279	7,560,598
Operations Services *	18,981,967	16,178,057	13,937,835	14,463,138	15,413,787
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659	16,209,390
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422	8,486,034
<b>Debt Service:</b>					
Principal	1,185,000	4,695,000	1,325,000	755,000	1,330,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714	1,239,890
<b>Total Expenditures</b>	<u>86,708,271</u>	<u>99,420,978</u>	<u>107,097,847</u>	<u>99,877,314</u>	<u>104,345,990</u>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	<u>4,499,856</u>	<u>3,491,128</u>	<u>785,834</u>	<u>8,266,887</u>	<u>8,824,595</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets		25,423	-	-	-
Proceeds from Issuance of Debt	-	28,425,000	-	-	1,520,000
Proceeds from Sale of Bonds	-	-	-	4,040,000	-
Payment to Escrow Agents	-	-	-	(4,755,000)	-
Transfers In	7,348,087	13,359,981	11,659,951	16,600,296	8,426,644
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,483,257)</u>	<u>5,487,871</u>	<u>451,872</u>	<u>(1,070,543)</u>	<u>(1,921,767)</u>
<b>Net Change in Fund Balances</b>	<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>
<b>Fund Balances:</b>					
Beginning of Year	84,329,135	85,345,734	94,324,733	95,562,439	102,758,783
Prior Period Adjustment					
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>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditure	2.42%	7.16%	3.01%	2.65%	2.63%

\* In 2008-09 Planning Community Development and Public Works were recognized into two functions: Community Development and Operation Services



	2007	2008	2009	2010
\$	75,235,506	\$ 76,668,560	\$ 74,321,964	\$ 71,408,195
	190,362	196,784	194,311	203,798
	11,259	11,591	11,536	11,424
	1,950,100	1,701,275	974,211	852,900
	526,208	557,615	471,606	453,118
	5,926,569	6,306,432	3,840,218	1,211,827
	5,933,046	5,916,548	5,585,376	5,382,179
	1,727,617	1,783,405	1,829,153	1,955,493
	13,268,001	14,320,932	14,409,775	14,741,021
	3,824,811	6,403,102	4,747,036	1,646,586
	924,558	995,038	483,500	428,476
	2,147,204	2,043,745	2,142,775	2,368,673
	748,144	6,027,436	1,145,881	1,659,234
	3,313,780	3,836,587	3,707,092	3,053,264
	3,659,920	3,731,918	3,708,827	3,210,480
	<u>119,387,085</u>	<u>130,500,968</u>	<u>117,573,261</u>	<u>108,586,668</u>
	11,362,742	12,405,156	12,127,645	11,896,618
	47,626,223	50,030,665	50,354,468	51,761,407
	5,250,750	5,841,161	12,453,559	11,490,516
	15,780,590	15,791,053	8,006,599	8,130,826
	17,850,952	18,580,800	17,621,844	17,415,312
	16,521,137	18,073,711	30,476,317	12,720,830
	1,345,000	1,385,000	1,425,000	1,295,000
	1,204,063	1,167,388	1,129,603	1,091,998
	<u>116,941,457</u>	<u>123,274,934</u>	<u>133,595,035</u>	<u>115,802,507</u>
	<u>2,445,628</u>	<u>7,226,034</u>	<u>(16,021,774)</u>	<u>(7,215,839)</u>
	-	227,487	20,000	-
	-			
	-			
	17,317,214	11,085,480	11,193,907	6,702,172
	(16,429,835)	(9,972,337)	(9,361,054)	(4,377,180)
	<u>887,379</u>	<u>1,340,630</u>	<u>1,852,853</u>	<u>2,324,992</u>
	<u>3,333,007</u>	<u>8,566,664</u>	<u>(14,168,921)</u>	<u>(4,890,847)</u>
	109,661,611	112,177,160	120,743,824	106,574,903
	(817,458)			
\$	<u>112,177,160</u>	<u>\$ 120,743,824</u>	<u>\$ 106,574,903</u>	<u>\$ 101,684,056</u>
	2.37%	2.26%	2.32%	2.58%

## **Revenue Capacity Information**

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

**Direct and Overlapping Property Tax Rates - Last Nine Fiscal Years**

**Principal Property Tax Payers - Current Year & Ten Years Ago**

**Property Tax Levies and Collections - Last Nine Fiscal Years**

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

<b>Fiscal Year Ended June 30</b>	<b>Net Secured</b>	<b>Public Utilities</b>	<b>Net Unsecured</b>	<b>Net Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
2010	16,608,342,939	1,520,242	678,842,286	17,288,705,467	0.324%

Source: Alameda County Office of the Auditor-Controller

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

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

**Note:** Rates are percentage of total assessed value

**Source:** Alameda County Office of the Auditor-Controller

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>0.0854</b>	<b>0.0721</b>	<b>0.0756</b>	<b>0.0777</b>	<b>0.0809</b>
<b>0.0158</b>	<b>0.0159</b>	<b>0.0164</b>	<b>0.0183</b>	<b>0.0195</b>
<b>0.0130</b>	<b>0.0151</b>	<b>0.0150</b>	<b>0.0169</b>	<b>0.0203</b>
<b>0.0048</b>	<b>0.0050</b>	<b>0.0076</b>	<b>0.0090</b>	<b>0.0057</b>
<b>0.0235</b>	<b>0.0085</b>	<b>0.0080</b>	<b>0.0100</b>	<b>0.0108</b>
<b>1.1425</b>	<b>1.1166</b>	<b>1.1226</b>	<b>1.1319</b>	<b>1.1372</b>

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

2010			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	\$ 240,794,789	1.41%	Stoneridge Properties	\$ 139,377,194	1.59%
Stoneridge Properties	230,917,791	1.35%	Carr Realty Corporation	120,400,842	1.37%
Pleasant Property LLC	208,886,061	1.22%	PeopleSoft Inc.	114,553,257	1.30%
6200 Stoneridge Mall Road	190,974,596	1.12%	Principal Mutual Life Insurance Co	88,599,906	1.01%
CT Stoneridge LLC	159,321,211	0.93%	Clorox Services Company	74,308,880	0.85%
Safeway, Inc	141,408,817	0.83%	Excel Realty Trust Inc.	71,615,851	0.82%
NNN Britannia Business 1 LLC	135,527,972	0.79%	Lease Plan North America	66,978,985	0.76%
Stoneridge Residential LLC	128,321,955	0.75%	Hacienda Plaza Associates LLC	66,270,700	0.75%
Applera Corporation	127,413,855	0.75%	Providian National Bancorp	56,980,471	0.65%
PeopleSoft Properties	120,119,380	0.70%	Stoneridge Associates	56,305,095	0.64%
	<u>\$ 1,683,686,427</u>	<u>9.85%</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 Nine Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Delinquent Tax Collections</b>
		<b>Amount</b>	<b>Percent of Levy</b>	
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
2010	53,217,192	53,058,644	99.70%	2,281,671

**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 Nine Fiscal Years**

**Ratio of General Bonded Debt Outstanding - Last Nine Fiscal Years**

**Direct and Overlapping Debt - Year Ended June 30, 2010**

**Legal Debt Margin Information - Last Nine Fiscal Years**

**Pledged-Revenue Coverage - Last Nine Fiscal Years**

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Total Governmental Activities</b>
	<b>General Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Notes &amp; Mortgage Payable</b>	
2002	\$0	\$9,985,000	\$0	\$9,985,000
2003	0	34,180,000	0	\$34,180,000
2004	0	33,360,000	0	\$33,360,000
2005	0	31,890,000	75,000	\$31,965,000
2006	0	30,560,000	1,595,000	\$32,155,000
2007	0	29,215,000	1,595,000	\$30,810,000
2008	0	27,830,000	1,822,487	\$29,652,487
2009	0	26,405,000	5,242,487	\$31,647,487
2010	0	25,110,000	4,712,487	\$29,822,487

<b>Business-Type Activities</b>						
<b>Sewer Revenue Bonds</b>	<b>Water Revenue Bonds</b>	<b>Notes Payable</b>	<b>Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Debt Per Capita</b>
\$4,558,086	\$5,543,387	\$505,997	\$0	\$20,592,470	0.6%	\$316.06
4,120,930	4,970,738	473,239	0	\$43,744,907	1.3%	\$663.19
3,609,968	4,368,019	438,318	0	\$41,776,305	1.2%	\$625.51
3,660,000	3,595,000	401,173	697,844	\$40,319,017	1.0%	\$601.34
3,120,000	2,945,000	361,499	567,545	\$39,149,044	n/a	\$581.53
2,575,000	2,300,000	319,204	448,682	\$36,452,886	n/a	\$537.07
2,010,000	1,645,000	274,117	296,531	\$33,878,135	n/a	\$494.09
1,415,000	975,000	226,105	149,158	\$34,412,750	n/a	\$495.95
840,000	825,000	174,875	0	\$31,662,362	n/a	\$447.77

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Percent of Assessed Value</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Tax Allocation Bonds</b>	<b>Total</b>		
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
2010	0	0	0	0.000%	0

**City of Pleasanton**  
**Direct and Overlapping Debt**  
**For the year ended June 30, 2010**

2009/10 Net Assessed Valuation \$17,398,703,467

	Percentage Applicable (1)	Outstanding Debt 06/30/10	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
Bay Area Rapid Transit District	3.98%	\$420,000,000	\$16,732,800
Chabot-Las Positas Community College District	22.15%	462,902,125	102,518,934
Dublin Joint Unified School District	0.01%	172,583,700	13,807
Livermore Valley Joint Unified School District	2.18%	141,010,000	3,074,018
Pleasanton Unified School District	97.27%	98,249,429	95,565,255
Sunol Glen Unified School District	0.00%	1,329,789	13
City of Pleasanton 1915 Act Bonds	100%	16,815,000	16,815,000
East Bay Regional Park District	6.07%	196,775,000	11,946,210
<b>Total Overlapping Tax and Assessment Debt:</b>			<b>\$246,666,037</b>
 <b>Direct and Overlapping General Fund Obligation Debt:</b>			
Alameda County General Fund Obligations	10.20%	\$419,006,000	\$42,738,612
Alameda County Pension Obligations	10.20%	178,386,819	18,195,456
Chabot-Las Positas Community College District Certificates of Participation	22.15%	4,665,000	1,033,158
Pleasanton Unified School District Certificates of Participation	97.27%	16,680,000	16,224,302
City of Pleasanton General Fund Obligations	100%	25,110,000	25,110,000
<b>Total Direct and Overlapping General Fund Obligation Debt:</b>			<b>\$103,301,528</b>
<b>Combined Total Debt</b>			<b>\$349,967,565 (2)</b>

(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)	0.14%
Total Overlapping Tax and Assessment Debt	1.42%
Combined Total Debt	2.01%

State School Building Aid Repayable as of 06/30/10: \$ 0

Source: California Municipal Statistics, Inc.

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

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 14,220,963,928	\$ 15,455,940,826	\$ 16,520,291,133	\$ 17,372,884,460	\$ 17,398,703,467
25%	25%	25%	25%	25%
3,555,240,982	3,863,985,207	4,130,072,783	4,343,221,115	4,349,675,867
15%	15%	15%	15%	15%
533,286,147	579,597,781	619,510,917	651,483,167	652,451,380
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 533,286,147</u>	<u>\$ 579,597,781</u>	<u>\$ 619,510,917</u>	<u>\$ 651,483,167</u>	<u>\$ 652,451,380</u>
0.00%	0.00%	0.00%	0.00%	0.00%

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

**Sewer Revenue Bonds**

Fiscal Year Ended June 30	Sewer Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	\$ 11,271,807	\$ 9,245,473	\$ 2,026,334	\$ 431,395	\$ 471,261	\$ 902,656	2.24
2002-03	11,331,746	9,308,075	2,023,671	436,156	183,963	620,119	3.26
2003-04	11,276,659	9,288,015	1,988,644	505,018	152,830	657,848	3.02
2004-05	11,317,202	9,399,929	1,917,273	473,020	190,028	663,048	2.89
2005-06	11,312,597	9,698,298	1,614,299	540,000	102,472	642,472	2.51
2006-07	11,681,865	10,048,466	1,633,399	545,000	88,744	633,744	2.58
2007-08	11,813,279	10,029,648	1,783,631	565,000	73,500	638,500	2.79
2008-09	10,944,451	9,605,229	1,339,222	595,000	56,434	651,434	2.06
2009-10	10,949,878	9,500,116	1,449,762	575,000	37,163	612,163	2.37

**Water Revenue Bonds**

Fiscal Year Ended June 30	Water Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	\$ 16,649,591	\$ 11,673,887	\$ 4,975,704	\$ 488,605	\$ 294,096	\$ 782,701	6.36
2002-03	16,453,656	11,849,788	4,603,868	572,649	214,356	787,005	5.85
2003-04	17,334,948	12,929,069	4,405,879	544,983	242,942	787,925	5.59
2004-05	16,351,235	11,573,538	4,777,697	531,980	208,756	740,736	6.45
2005-06	16,670,008	12,892,209	3,777,799	650,000	77,712	727,712	5.19
2006-07	17,995,780	14,569,010	3,426,770	645,000	64,756	709,756	4.83
2007-08	17,480,621	15,510,677	1,969,944	655,000	51,756	706,756	2.79
2008-09	16,605,569	15,629,200	976,369	670,000	38,088	708,088	1.38
2009-10	15,797,032	15,573,633	223,399	150,000	28,719	178,719	1.25

**Note:** Revenue and expenditure totals differ from totals in the financial statements because bond rate covenants include and exclude various line item amounts (e.g. depreciation ).

**Source:** City of Pleasanton, Finance Department



**Demographic and Economic Information**

**Demographic and Economic Statistics - Last Nine Calendar Years**

**Principal Employers - Current Year and Five Years Ago**

**City Employees by Function - Last Nine Fiscal Years**

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

<u>Calendar Year</u>	<u>Population As of 1/1 (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
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	69,388	3,913,652,000	56,402	3.1%
2009	70,145	Not Available	Not Available	5.4%

**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) Leadership Pleasanton (California Department of Finance, Demographic Research)
- (2) California Franchise Tax Board / U S Dept of Commerce, Bureau of Economic Analysis
- (3) California Employment Development Department, Labor Market Information Division

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

<b>Employer</b>	<b>2010</b>		<b>Employer</b>	<b>2005</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>		<b>Number of Employees</b>	<b>Percent of Total Employment</b>
<b>Kaiser Permanente</b>	<b>3,738</b>	<b>7.28%</b>	<b>Safeway Inc</b>	<b>2,204</b>	<b>3.76%</b>
<b>Safeway Inc.</b>	<b>3,300</b>	<b>6.42%</b>	<b>A T &amp; T</b>	<b>1,602</b>	<b>2.73%</b>
<b>Oracle</b>	<b>1,500</b>	<b>2.92%</b>	<b>Oracle</b>	<b>1,500</b>	<b>2.56%</b>
<b>Pleasanton Unified School Dist.</b>	<b>1,185</b>	<b>2.31%</b>	<b>Pleasanton Unified School Dist.</b>	<b>1,341</b>	<b>2.29%</b>
<b>Valley Care Medical Center</b>	<b>1,048</b>	<b>2.04%</b>	<b>Valley Care Medical Center</b>	<b>1,300</b>	<b>2.22%</b>
<b>State Fund Compensation Ins.</b>	<b>650</b>	<b>1.27%</b>	<b>Providian Financial</b>	<b>1,100</b>	<b>1.87%</b>
<b>Macy's</b>	<b>584</b>	<b>1.14%</b>	<b>Robert Half International</b>	<b>889</b>	<b>1.52%</b>
<b>Roche Molecular Systems Inc.</b>	<b>422</b>	<b>0.82%</b>	<b>E-Loan</b>	<b>755</b>	<b>1.29%</b>
<b>City of Pleasanton</b>	<b>419</b>	<b>0.82%</b>	<b>Macy's</b>	<b>750</b>	<b>1.28%</b>
<b>Hendrick Auto</b>	<b>405</b>	<b>0.79%</b>	<b>E M C Corporation</b>	<b>659</b>	<b>1.12%</b>
<b>Thoratec Corporation</b>	<b>388</b>	<b>0.76%</b>	<b>Kaiser Permanente</b>	<b>530</b>	<b>0.90%</b>
<b>Workday Inc.</b>	<b>386</b>	<b>0.75%</b>	<b>Ross</b>	<b>525</b>	<b>0.89%</b>
<b>A T &amp; T</b>	<b>377</b>	<b>0.73%</b>	<b>Clorox Services Company</b>	<b>486</b>	<b>0.83%</b>
<b>Fireside Bank</b>	<b>365</b>	<b>0.71%</b>	<b>City of Pleasanton</b>	<b>440</b>	<b>0.75%</b>
<b>E M C Corporation</b>	<b>331</b>	<b>0.64%</b>	<b>Nordstrom</b>	<b>405</b>	<b>0.69%</b>

"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 Division

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

Function	Full-Time and Part-Time and Limited Term Employees as of June 30								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	44	44	44	44	44	45	45	45	45
Public Safety (1)	183	182	182	182	185	187	186	186	180
Community Development (2)	20	20	18	18	20	20	22	60	49
Operations Services (2)	91	89	76	76	76	75	76	36	32
Community Activities	86	86	85	85	85	85	85	87	83
Utilities	35	35	35	35	35	35	35	37	32
<b>Total</b>	<b>459</b>	<b>456</b>	<b>440</b>	<b>440</b>	<b>445</b>	<b>447</b>	<b>449</b>	<b>451</b>	<b>421</b>

- (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 Operations Services.

Source: City of Pleasanton Budget

## **Operating Information**

**Operating Indicators by Function - Last Nine Fiscal Years**

**Capital Asset Statistics by Function - Last Nine Fiscal Years**

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

	Fiscal Year Ending June 30		
	2002	2003	2004
<b>Police:</b>			
Arrests	2,574	3,000	2,450
Parking Citations Issued	1,447	1,712	1,866
Administrative Citations Issue	125	84	210
<b>Fire:</b>			
Number of Responses (Pleasanton only)	3,833	4,011	4,055
Number of Inspections (Pleasanton only) <sup>(1)</sup>	447	1,003	923
<b>Library:</b>			
Annual Circulation	845,266	969,833	969,483
Gate Count (# of people through the doors)	425,081	467,867	467,696
<b>Finance</b>			
Business Licenses Issued	7,828	8,272	9,362
Utility Bills Generated	122,094	123,750	128,172
<b>Parks &amp; Community Services:</b>			
Paratransit Trips <sup>(2)</sup>	22,560	23,717	24,867
Golf Rounds Played <sup>(3)</sup>	0	0	0
Aquatics Youth Programs	9,193	8,235	16,523
Youth Sports, Camps, Classes and Leagues <sup>(4)</sup>	N/A	6,556	5,639
Audiences & Performers at Amador Theater <sup>(5)</sup>	68,805	69,200	70,400
<b>Building Department:</b>			
Plan checks	941	982	1,131
Permits Issued	6,553	6,684	7,473
<b>Operations Services:</b>			
Streets Resurfacing (miles) <sup>(6)</sup>	11	12	13
<b>Water:</b>			
New Water Connections	182	204	283
Gallons Delivered	5,748,538,000	5,750,837,000	6,336,298,000
<b>Wastewater:</b>			
New Sewer Connections	310	213	325

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

<sup>(2)</sup> 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.

<sup>(3)</sup> Callippe Preserve opened November 2005

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

<sup>(5)</sup> 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.

<sup>(6)</sup> In 2009/10 the total was much lower than previous years because the City completed only one street surfacing (overlay CIP 095003) and the other slurry sealing project was postponed.

2005	2006	2007	2008	2009	2010
2,401	2,281	2,414	2,563	2,772	2,970
1,398	1,285	1,175	1,019	911	1,133
99	181	129	150	92	108
4,256	4,547	4,886	5,129	5,007	4,952
1,181	1,465	1,701	1,604	1,269	861
1,047,607	1,109,541	1,237,543	1,303,995	1,433,876	1,475,666
465,978	459,138	472,633	498,614	530,738	552,779
10,529	10,933	9,206	9,368	8,783	9,067
128,256	128,838	131,027	131,290	131,500	134,651
22,898	20,974	19,122	18,656	22,122	20,393
0	45,229	73,365	72,092	68,294	63,591
17,364	16,002	16,838	17,756	21,185	21,982
7,039	9,299	11,755	12,782	12,683	13,400
70,195	66,354	70,900	42,500	50,100	28,380
1,217	1,110	989	438	707	867
7,314	7,224	5,616	3,705	2,605	2,374
11	10	10	9	9	6
279	180	113	52	21	26
5,504,555,000	5,987,811,000	5,918,501,380	5,848,226,780	5,479,058,112	5,149,717,452
258	201	185	65	24	26

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

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Police:</b>				
Stations	1	1	1	1
<b>Fire:</b>				
Stations (Pleasanton only)	4	4	5	5
<b>Library:</b>				
Branches	1	1	1	1
<b>Parks &amp; Community Services:</b>				
Parks (acres developed and maintained)	338	338	351	378
Municipal Golf Courses	0	0	0	0
Aquatic Centers	1	1	1	1
Senior Centers	1	1	1	1
<b>Operations Services:</b>				
Streets ( miles)	189	189	194	194
Streetlights	5,114	5,136	5,208	5,209
Traffic Signals	75	79	80	86
<b>Water:</b>				
Water mains (miles)	303	306	310	313
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M
<b>Wastewater:</b>				
Sanitary Sewers (miles)	239	241	245	248
Storm Sewers (miles)	175	176	179	182

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



<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
378	378	385	385	385
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
198	206	208	208	208
5,311	5,320	5,379	5,992	6,007
87	92	93	93	93
314	318	318	320	320
37.0M	37.0M	37.0M	37.0M	32.0M
249	253	253	255	255
183	188	188	191	192

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Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pleasanton (City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 13, 2011. We conducted our audit in accordance with auditing standards generally accepted 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and Members of City Council  
of the City of Pleasanton  
Pleasanton, California  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

This report is intended solely for the information and use of City management, the Mayor and Members of City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Caporicci & Larson, Inc.*

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San Francisco, California  
January 13, 2011