

CITY OF PLEASANTON

CALIFORNIA



Comprehensive Annual Financial Report
For the year ended June 30, 2012

City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2012

Prepared by the Finance Department

City of Pleasanton

Table of Contents

INTRODUCTORY SECTION

Page

Table of Contents.....	i
Letter of Transmittal.....	v
GFOA Award.....	xiii
Listing of Public Officials.....	xiv
City of Pleasanton Organization Chart.....	xv
Regional Map.....	xvi

FINANCIAL SECTION

Independent Auditor’s Report	1
---	----------

Management’s Discussion and Analysis (Required Supplementary Information).....	3
---	----------

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets.....	27
Statement of Activities and Changes in Net Assets.....	28

Fund Financial Statements:

Governmental Funds:

Balance Sheet.....	32
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	35

Proprietary Funds:

Statement of Fund Net Assets.....	38
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	39
Statement of Cash Flows	40

Fiduciary Funds:

Statement of Fund Net Assets.....	42
Statement of Changes in Fiduciary Net Assets.....	43

Index to Notes to Basic Financial Statements.....	45
---	----

Notes to Basic Financial Statements.....	47
--	----

City of Pleasanton

Table of Contents, Continued

FINANCIAL SECTION, Continued

Page

Required Supplementary Information:

Budgetary Basis of Accounting.....	93
Budgetary Comparison Schedules:	
General Fund	94
Lower Income Housing Fund	95
Livermore Pleasanton Fire Department (Livermore Share Only) Fund	96
Pension and Other Postemployment Benefits Plan Schedule of Funding Progress	97

Supplementary Information:

Non-Major Governmental Funds:

Combining Balance Sheet.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101

Non-Major Special Revenue Funds:

Combining Balance Sheet.....	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	110
Budgetary Comparison Schedules	114

Non-Major Debt Services Funds:

Combining Balance Sheet.....	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	143
Budgetary Comparison Schedules	144

Non-Major Capital Projects Funds:

Combining Balance Sheet.....	150
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	152
Budgetary Comparison Schedules	154

Non-Major Enterprise Funds:

Combining Statement of Fund Net Assets.....	168
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	169
Combining Statement of Cash Flows	170

Internal Service Funds:

Combining Statement of Fund Net Assets.....	172
Combining Statement of Revenues, Expenses and Changes in Net Assets.....	174
Combining Statement of Cash Flows.....	176

City of Pleasanton

Table of Contents, Continued

FINANCIAL SECTION, Continued

Page

Supplementary Information Continued:

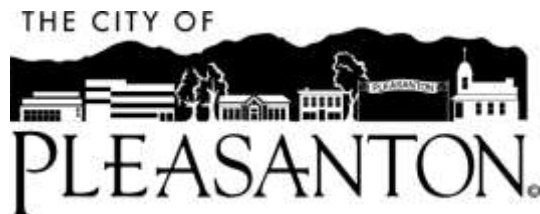
Agency Funds:

Combining Statement of Assets and Liabilities.....	180
Combining Statement of Changes in Assets and Liabilities.....	182

STATISTICAL SECTION

Net Assets by Component.....	188
Changes in Net Assets.....	190
Fund Balances of Government Funds.....	194
Changes in Fund Balances - Governmental Funds.....	196
Assessed Value and Estimated Actual Value of Taxable Property.....	201
Direct and Overlapping Property Tax Rates.....	202
Principal Property Tax Payers.....	204
Property Tax Levies and Collections.....	205
Ratios of Outstanding Debt by Type.....	208
Ratio of General Bonded Debt Outstanding.....	210
Direct and Overlapping Debt.....	211
Legal Debt Margin.....	212
Pledged-Revenue Coverage for the Sewer Fund.....	214
Demographic and Economic Statistics.....	216
Principal Employers.....	217
Full-Time and Part-Time and Limited Term Employees by Function.....	218
Operating Indicators by Function.....	220
Capital Asset Statistics by Function.....	222

This page intentionally left blank.



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

December 26, 2012

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2012. 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, 2012.

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.

Vavrinek, Trine, Day & Company, 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 ended June 30, 2012, 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. Vavrinek, Trine, Day & Company, LLP, 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, 2012, 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 at the intersection of interstate freeways 580 and 680. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and committed City government.

Pleasanton occupies a land area of 24.2 square miles and serves a residential population of 71,269. Pleasanton is a full service general law city providing police, fire, sewer, water, street, parks, support services, economic development, community development (planning, building and inspection services), community services (recreation, sports, senior center, preschool, etc.) and library services. The City operates under the Council-Manager form of government, with four Council members elected at-large for staggered four-year terms and the Mayor elected for a two-year term. The Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and appointing department directors.

The financial statements included in this CAFR present the City (the primary government), the Housing Authority of the City of Pleasanton (Housing Authority) and the Pleasanton Joint Powers Financing Authority (PJPF) as component units. The Housing Authority and the PJPF 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 PJPF 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 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 52,925 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 2012, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at \$123,000.

Commercial Office Activity

The first and second quarters of 2012 were very positive for the Pleasanton commercial office market, particularly with the absorption of vacant space. In fact, gross absorption in the second quarter was 206,209 square feet as compared to absorption of 85,174 this same time two years ago. As well, lease rates for Class A office space are growing as evidenced by an increase from \$1.77 to \$2.03 (full-service) per square foot in the second quarters in 2011 and 2012 respectively. As further evidence of the economy's upturn, the Pleasanton commercial real estate market had two investment sales close during the second quarter of 2012: 12,601 square feet of office/flex space at Pleasanton Park; and the two-building Britannia Business Center II with 135,210 square feet (sold as a 100 percent leased investment).

With a Bay Area Rapid Transit (BART) station as well as direct access to Interstates 580 and 680, the Stoneridge mall area continues to develop as a robust commercial hub in Pleasanton. Significant office contracts were made, with both Pleasanton Corporate Commons and Stoneridge Corporate Plaza inking new and expansion leases. Notably, Workday continues to take on more space as it keeps pace with its quickly expanding workforce with now more than 1,000 employees located in the City. As well, the University of San Francisco opened its East Bay regional campus in 10,000 square feet in the Stoneridge Corporate Plaza. And Safeway continues to solidify its corporate presence in Pleasanton, with renovations to its buildings including expansion of a medical office and health center for its employees.

Positive activity was demonstrated throughout Pleasanton's commercial districts. In the Bernal Corporate Park, several companies made significant lease deals: Allied Waste Systems took 17,740 square feet, enterprise software firm Rimini Street renewed its lease for 22,955 square feet, and Aldelo moved into 12,763 square feet of Class A office space. In Hacienda Business Park, Autonomy renewed its lease of 67,000 square feet while CPU Technology leased 48,000 square feet, Gatan took on 37,628 square feet, and Cooper Bussman occupied 23,304 square feet. These healthy mid-sized transactions accompanied by a number of deals for less than 10,000 square feet, all help to reduce the vacancy rate and are a sign of continued and consistent improvement.

In mid-2012, the Clorox Company welcomed employees to its new Pleasanton campus. With tenant improvements in five existing buildings (287,000 square feet), improvements to a physical plant building and completion of a new 60,000 square foot research and development lab, Clorox's commitment to Pleasanton is firmly in place. Several hundred of the company's employees have already relocated to the campus and up to 500 more employees and contractors from its Oakland operation will make the transition within the coming year.

As an indicator of increasing consumer confidence, Pleasanton auto dealerships have made investments in their locations. Notably, Mercedes Benz of Pleasanton is expanding its operations with construction of a new 72,151 square foot showroom and service facility, while the Pleasanton Auto Mall upgraded its Mini Cooper and BMW locations, adding increased area for service bays, as well as showroom space and inventory storage.

Retail Activity

Throughout 2012, Pleasanton has continued to see strong demand in its retail marketplace. The retail vacancy rate in downtown Pleasanton remains below 10% with several spaces being held open by the property owner to reposition the tenant mix and pending lease negotiations on others. Interest in purchase of downtown properties for private redevelopment toward adding additional retail space has increased.

Pleasanton also welcomed the new Pleasanton Gateway shopping center on Bernal Avenue at Interstate 680. The 130,000 square foot retail center is anchored by a 58,000 square foot lifestyle Safeway grocery store with an additional 72,000 square feet of additional retail. Current tenants include regional and national retailers and restaurants such as Mike's Bikes, Panda Express, Wells Fargo Bank, and Habit Burger Grill, and future tenants (under construction) include CVS, Starbucks and the Corner Bakery. Within one year of its grand opening, the center is almost fully leased. Pedestrian connections to nearby neighborhoods, employment centers, and parks complement this beautiful project.

Capitalizing on this demand and opportunities to attract tenants, other retail centers in Pleasanton were repositioned by property managers/owners. For example, Hopyard Village recently opened a kitchen and cooking goods retailer, and added several smaller retail and restaurant tenants. Brixmor, the owner of the Metro 580 and Rose Pavilion shopping centers, has pending lease agreements to fill the 35,000 square feet vacated by the closing of Borders, and to replace a former T.G.I. Friday's location. At the Stoneridge Shopping Center Simon Property Group brought in several new stores, including national retailers Lush, Lego and Build-A-Bear, opened a new La Boulangerie and has a number of new tenants in the queue to move in as space becomes available. As well, Simon is working with the City to renew its development agreement by which the mall has approval for an additional 205,000 square feet of expansion, and anticipates new development at the center in the coming 12 months.

Other Business Development

Following last year's groundbreaking for the 870-unit senior housing and intermediary care facility being developed by Continuing Life Communities on the Staples Ranch property at El Charro Road and Interstate 580, the project is well underway with the completion of Phase I construction expected in 2013. In addition to a majority of the planned residential units, Phase I includes amenities such as a clubhouse, bocce courts, woodshop, movie theater, and dining facilities. Given strong demand for the project, future phases II and III are already in consideration. Upon completion, this 45-acre senior complex will feature an on-site health center, independent living villas, apartments, assisted living units and skilled nursing beds.

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. The City's Housing Element of the General Plan was adopted in February 2012 and certified by the State Housing and Community Development Department in November 2012. As a result of this, the City Council approved the rezoning of nine sites for future multi-family housing to provide for additional affordable housing units to be developed in the City. As the City approaches build-out, its annual revenue growth rate will naturally slow.

Major Initiatives

The City's energy efficiency and solar rebate program issued 199 rebates to households in Pleasanton in 2012 -- 136 for solar installations and 63 for energy upgrades. As a result of this and other energy and environmental sustainability programs that the City has implemented, the City earned the Beacon Award for energy and environmental sustainability programs from the Institute of Local Government. The City was also one of five U.S. cities to receive the 2012 Mayor's Climate Protection Award honorable mention. Finally, the City's Climate Action Plan was certified by the State in 2012 and was heralded as "best in class" by the Bay Area Air Quality Management District.

In the 2012FY the City received a grant of \$876,000 from the Federal Highway Administration for the resurfacing of local streets and roads. The resurfacing projects were targeted on Santa Rita Road and Stoneridge Drive and were completed in 2012. The City also received two grants totaling \$252,000 for a Recycled Water Feasibility Study. The Study is planned to be completed and forwarded to the City Council for approval in 2013.

The City partnered in 2012 with East Bay Regional Parks District and the City of Dublin in completing the construction of the Alamo Canal Trail Undercrossing at Interstate 580. The City also partnered with East Bay Regional Parks District to complete the final design of the Iron Horse Trail in Pleasanton. This multi-use, whole access trail currently starts in Concord and ends in Dublin. The trail follows the Southern Pacific right-of-way. The completed Iron Horse Regional Trail will span the distance from Livermore in Alameda County to Suisun Bay in Contra Costa County, a distance of 33 miles, connecting two counties and 12 cities.

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 10% reserve for economic uncertainties in the General Fund, currently totaling \$9.0 million at June 30, 2012. Also at June 30, 2012, the City has \$11.0 million in the Temporary Recession Reserve, \$79.8 million in capital project reserves set aside for future projects, and \$25.5 million in reserves that have been set aside for insurance reserves, employee benefits, public art acquisition and maintenance, PERS rate stabilization and long term replacement and renovation of equipment, vehicles, parks and facilities. Finally, the City has reserves set aside for Retiree Medical Benefits of \$38.8 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

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, 2011. This was the fifteenth 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 David Persselin, Assistant Finance Director, 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: Juan Gomez, Mike Patrick, Melissa Winsby, Kathy Kitterman, Annette Gibson, Cheryl Caraballo, Margaret Lyons and Susan Rutkowsky.

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

This page intentionally left blank.

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, 2011

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

CITY OF PLEASANTON
LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2012

ELECTED OFFICIALS:

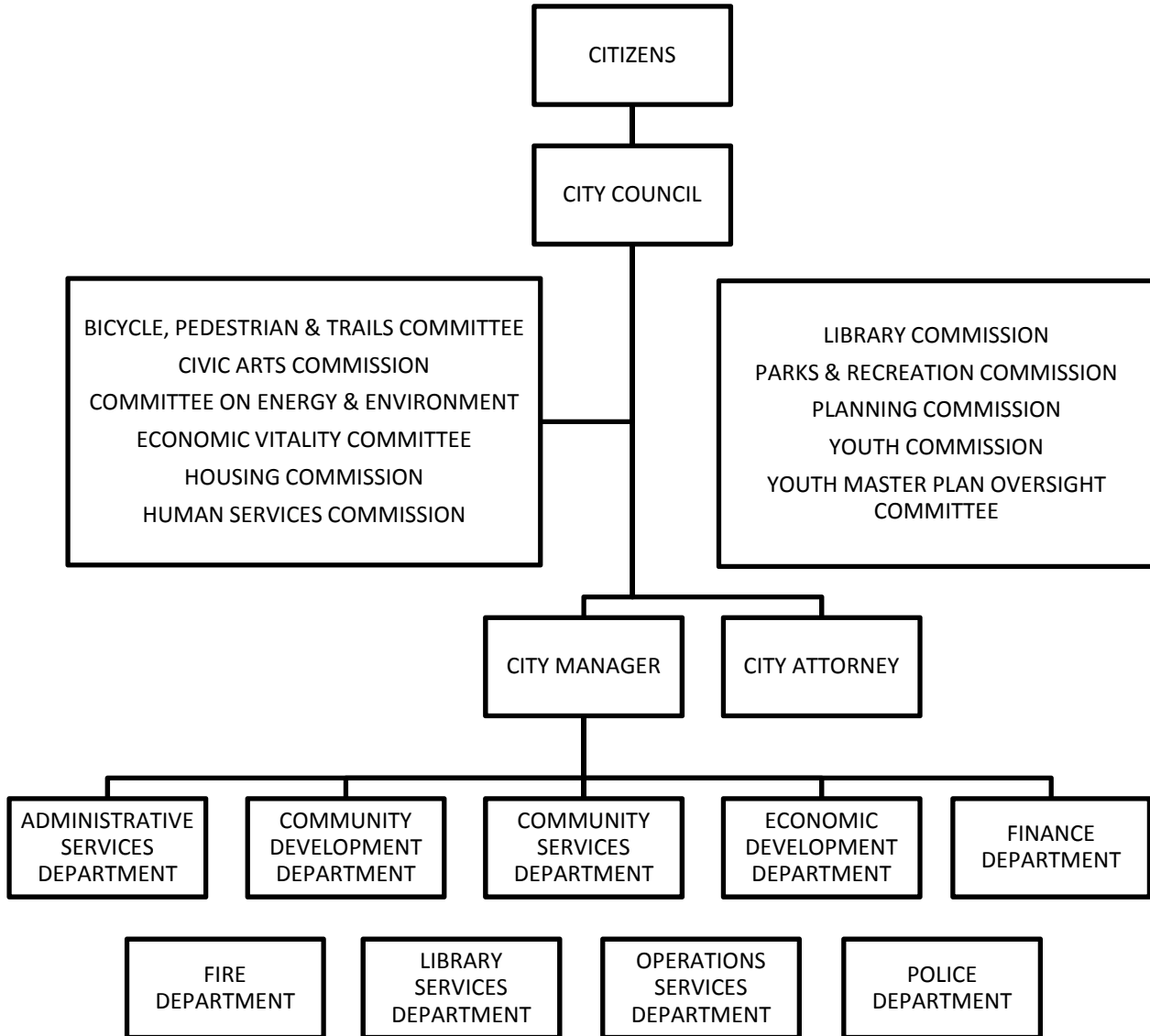
Mayor	Jennifer Hosterman
Council Member	Cheryl Cook-Kallio
Council Member	Cindy McGovern
Council Member	Matt Sullivan
Council Member	Jerry Thorne

ADMINISTRATIVE PERSONNEL:

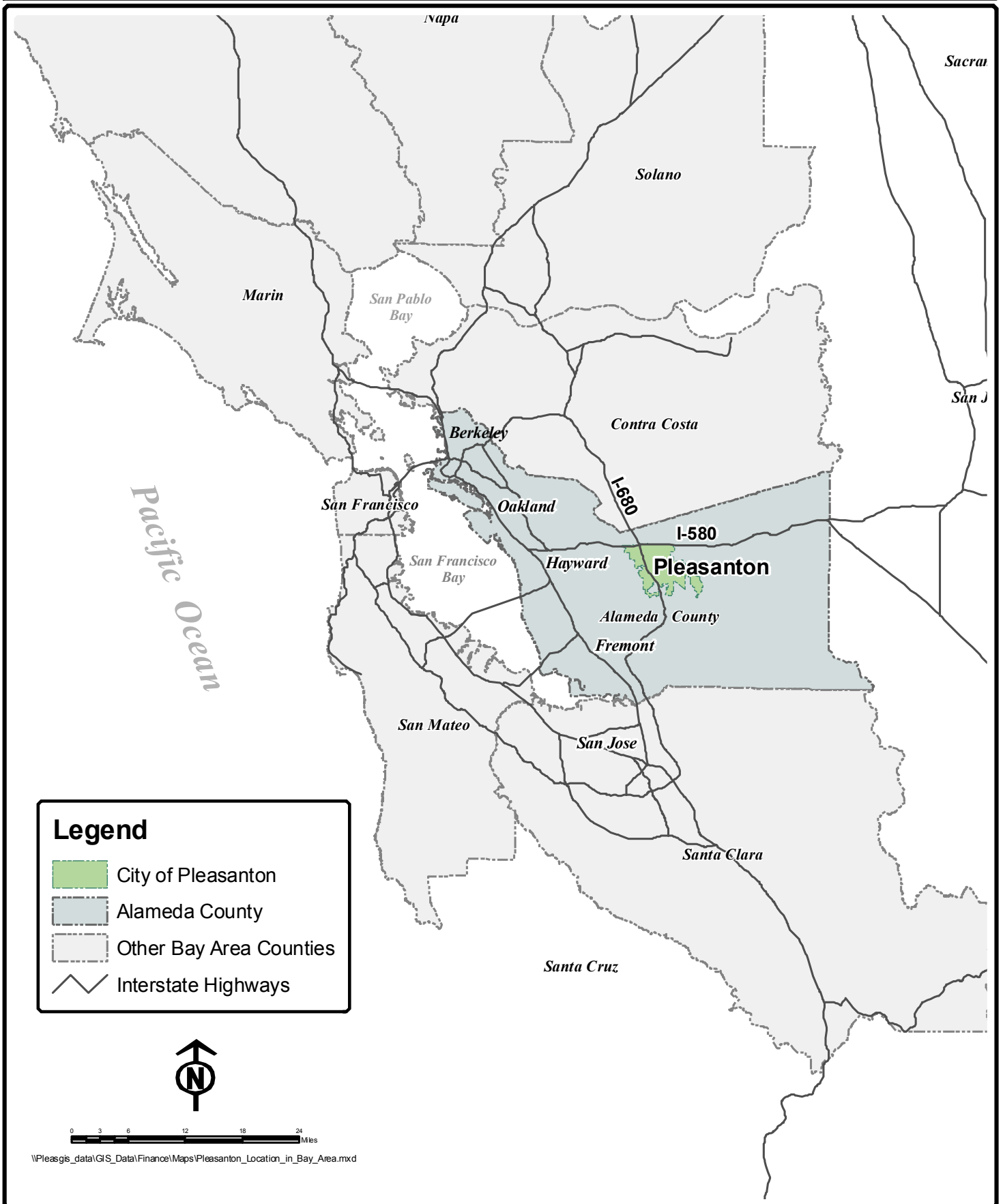
City Manager	Nelson Fialho
City Attorney	Jonathan Lowell
Assistant City Manager	Julie Yuan-Miu
Assistant City Manager	Steven Bocian
Director of Finance	Emily Wagner
Director of Community Development	Brian Dolan
Director of Operations Services	Daniel Smith
Director of Community Services	Susan Andrade-Wax
Director of Library Services	Julie Farnsworth
Fire Chief	James Miguel
Chief of Police	David Spiller
Director of Economic Development	Pamela Ott
City Clerk	Karen Diaz

CITY OF PLEASANTON

Organization Chart as of June 30, 2012



Pleasanton, California.





VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Callippe Preserve Golf Course, that is reported as part of the Golf Enterprise Fund, which represents 0.3 percent and 10.2 percent of the assets and revenues of the City's business-type activities, respectively, were audited by other auditors whose report dated August 27, 2012, expressed an unqualified opinion on those statements.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California, as of June 30, 2012, 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 December 26, 2012, 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other postemployment benefit plan schedule of funding progress, as listed in the table of contents, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, 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 and schedules 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 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, 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 in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Varrinck, Trine, Day & Co, LLP.

Pleasanton, California
December 26, 2012

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, 2012 (2011/12FY). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$872.4 million (net assets). Of this amount, \$157.8 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$58.2 million is restricted for specific purposes (restricted net assets), and \$656.4 million is invested in capital assets, net of related debt.
- The City's total net assets increased by \$5.0 million during the fiscal year, a 0.6% increase. Of this amount, an increase of \$8.2 million in net assets was attributable to governmental activities, a 1.3% increase, and a decrease of \$3.2 million in net assets was due to business-type activities, a 1.3% decrease.
- The City's governmental funds reported ending fund balances of \$101.5 million, an increase of \$0.2 million (0.1%) in comparison with the prior fiscal year ending June 30, 2011 (2010/11FY).
- The General Fund unrestricted fund balance is \$25.3 million, of which \$9.0 million is committed for economic uncertainties, \$11.0 million is committed for temporary recession, \$2.0 million is assigned for golf debt service and \$3.3 million is nonspendable or unassigned.

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 supplemental information. The basic financial statements include two kinds of statements that present different views of the City as described below:

- The **Government-wide** financial statements provide both long-term and short-term information about the City's overall financial status.
- The **Fund** financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - **Governmental fund** statements tell how general government services such as police, fire and operations services were financed in the short-term, as well as what remains for future spending.
 - **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
 - **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 and Other Postemployment Benefits Schedule of Funding Progress. After these required elements, we have included supplemental information consisting of combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and agency funds.

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

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government) and the Housing Authority of the City of Pleasanton (Housing Authority) as a component unit. The City Council serves as the Board for the Housing Authority. Financial information for the Housing Authority is blended with the City's financial information. Although it is a legally separate entity, in substance the Housing Authority is 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 a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, operations services, and community activities (parks, recreation, and library). The business-type activities of the City include water, sewer, golf, transit, storm drain, and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All 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 as supplementary information in the form of *combining statements*.

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

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

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

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

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council and amendments adopted in the June preceding the start of the second year (even numbered year). Required supplementary information also includes schedules showing the City's progress towards funding its pension plan and other post employment benefits (OPEB). The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post retirement health care benefits (OPEB).

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

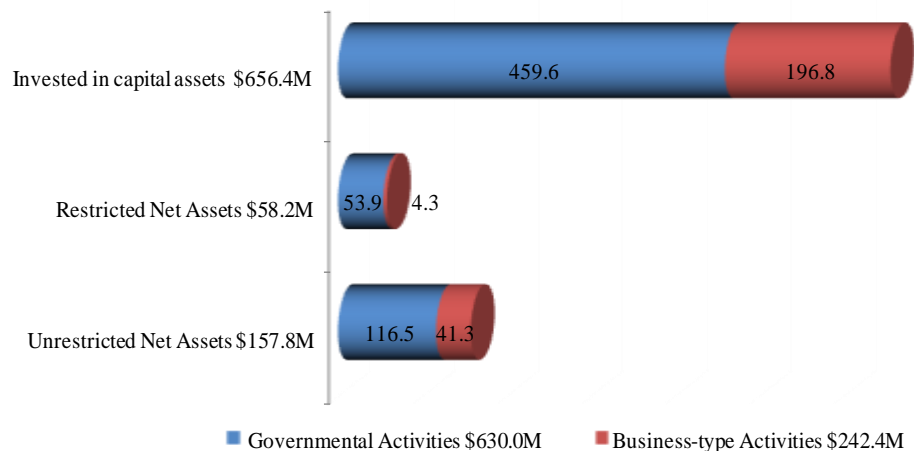
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for the 2010/11FY and the 2011/12FY. 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, 2011 (2011) and June 30, 2012 (2012):

City of Pleasanton							
Net Assets (in millions of dollars)							
	Governmental		Business-type		Total		Total
	Activities	Activities	Activities	Activities	2011	2012	Percentage
	2011	2012	2011	2012	2011	2012	Change
Current and other assets	\$200.4	\$190.0	\$48.2	\$49.9	\$248.6	\$239.9	-3.5%
Capital assets	469.0	484.3	203.8	197.8	672.8	682.1	1.4%
Total assets	669.4	674.3	252.0	247.7	921.4	922.0	0.1%
Other liabilities	11.1	9.6	5.4	4.3	16.5	13.9	-15.8%
Long-term liabilities	36.6	34.7	1.1	1.0	37.7	35.7	-5.3%
Total liabilities	47.7	44.3	6.5	5.3	54.2	49.6	-8.5%
Net Assets:							
Invested in capital assets							
net of related debt	442.9	459.6	202.8	196.8	645.7	656.4	1.7%
Restricted	53.4	53.9	2.3	4.3	55.7	58.2	4.5%
Unrestricted	125.5	116.5	40.5	41.3	166.0	157.8	-4.9%
Total net assets	\$621.8	\$630.0	\$245.6	\$242.4	\$867.4	\$872.4	0.6%

Statement of Net Assets as of June 30, 2012
(in millions of dollars)



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 \$872.4 million at the close of the 2011/12FY. 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 *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 \$656.4 million (75.2% 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 increased by \$10.7 million (1.7%) in the 2011/12FY. Additions and transfers from completed construction-in-progress projects totaled \$50.8 million, of which \$19.7 million were donated assets, the majority of which was the regional parkland at Staples Ranch. These additions and transfers were offset by depreciation (\$17.4 million), completed construction-in-progress projects (\$18.0 million), and retirements of existing depreciable capital assets or construction-in-progress (\$6.2 million). Outstanding debt principal that was related to the capital assets (\$22.9 million) decreased by \$1.5 million.
- The *restricted net assets* of \$58.2 million (6.7% of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$37.3 million restricted for the construction of major capital projects and capital maintenance, \$0.5 million to pay for upcoming debt payments, and \$20.45 million for special projects and community development.
- The *unrestricted net assets* of \$157.8 million (18.1% 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 \$116.5 million of the unrestricted net assets of the City and business-type activities account for \$41.3 million.

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

City of Pleasanton
Changes in Net Assets (in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2011	2012	2011	2012	2011	2012	
Revenues:							
Program revenues:							
Charges for Services	\$20.7	\$24.1	\$31.9	\$34.9	\$52.6	\$59.0	12.2%
Operating grants & contributions	2.3	2.0	-	0.3	2.3	2.3	0.0%
Capital grants & contributions	9.3	30.9	-	0.1	9.3	31.0	233.3%
Interfund charges	0.7	0.6	-	-	0.7	0.6	-14.3%
General revenues:							
Property taxes	48.6	47.9	-	-	48.6	47.9	-1.4%
Sales taxes	18.5	19.1	-	-	18.5	19.1	3.2%
All other taxes	8.6	9.0	-	-	8.6	9.0	4.7%
All other general revenues	2.2	2.4	1.1	0.9	3.3	3.3	0.0%
Total revenues	110.9	136.0	33.0	36.2	143.9	172.2	19.7%
Expenses:							
General government	12.4	12.5	-	-	12.4	12.5	0.8%
Public safety	53.4	61.5	-	-	53.4	61.5	15.2%
Operations services	25.1	24.2	-	-	25.1	24.2	-3.6%
Community Activities	13.2	12.2	-	-	13.2	12.2	-7.6%
Water	-	-	19.0	21.0	19.0	21.0	10.5%
Sewer	-	-	13.0	13.3	13.0	13.3	2.3%
Golf	-	-	5.0	5.1	5.0	5.1	2.0%
Other	12.9	14.0	2.9	2.8	15.8	16.8	6.3%
Interfund charges	-	-	0.7	0.6	0.7	0.6	-14.3%
Total expenses	117.0	124.4	40.6	42.8	157.6	167.2	6.1%
Revenues over (under) expenses	(6.1)	11.6	(7.6)	(6.6)	(13.7)	5.0	-136.5%
Transfer In/(Out)	(0.6)	(3.4)	0.6	3.4	0.0	0.0	0.0%
Change in net assets	(6.7)	8.2	(7.0)	(3.2)	(13.7)	5.0	-136.5%
Net assets, beginning of year	628.5	621.8	252.6	245.6	881.1	867.4	-1.6%
Net assets, end of year	\$621.8	\$630.0	\$245.6	\$242.4	\$867.4	\$872.4	0.6%

Changes in Net Assets

Governmental Activities increased the City's net assets by \$8.2 million. This change is primarily the result of the following:

- The cost of governmental activities, together with net transfers between governmental activities and business-type activities of \$3.4 million was \$127.8 million in 2011/12FY; an increase of \$10.2 million over the 2010/11FY. The majority of the increase was due to the payoff of \$7.8 million CalPERS side fund for the Safety Police Plan to realize savings of future interest costs of \$3.5 million.
- Program revenues provided \$57.0 million of the resources to offset the cost of governmental activities.
 - Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, and library fees totaled \$24.1 million. The majority of the increase in these revenues in the 2011/12FY over the 2010/11FY was due to an increase in building permit and plan check revenues of \$1.4 million.

- Capital grants and contributions provided \$30.9 million, including donated capital assets valued at \$19.2 million (a majority of which was the regional parkland at Staples Ranch), development related fees and contributions of \$4.6 million, and \$2.6 million of surplus bond monies to be used for capital improvements and facilities.
- Operating grants and contributions totaled \$2.0 million.
- Interfund charges totaled \$0.6 million.
- General revenues totaled \$78.4 million and included:
 - Tax revenues mainly consisting of property tax and sales tax revenues of \$76.0 million.
 - Investment income (not restricted to specific programs) of \$1.4 million.
 - Miscellaneous revenues of \$1.0 million.

Business-type activities decreased the City's net assets by \$3.2 million.

- The cost of business activities, together with interfund charges of \$0.6 million, was \$42.8 million including expenses for Water, Sewer, Golf, Transit, Storm Water, Cemetery, and Pleasanton Housing Authority. The expenses do not reflect capital outlays but do include \$9.1 million in depreciation expenses. Capital outlays are capitalized and are reflected as Capital Assets in the Statement of Net Assets.
- Program revenues provided \$35.3 million of the resources to offset the cost of business activities.
- General revenues and transfers provided \$4.3 million of the resources to offset the cost of business activities.

Year to Year Variations in Revenues and Transfers

The City's total revenues were \$172.2 million for the 2011/12FY, an increase of \$28.3 million from the 2010/11FY. Revenues from governmental activities totaled \$136.0 million, an increase of \$25.1 million. This is mostly due to an increase in donated capital assets valued at \$19.2 million, a majority of which is the regional parkland at Staples Ranch. Revenues from business-type activities totaled \$36.2 million, an increase of \$3.2 million in comparison to the 2010/11FY. This is mostly due to an increase of \$3.0 million in charges for services (the Zone 7 and DSRSD increased their water and sewer rates in 2010/11FY and 2011/12FY.)

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$92.9 million (53.49% of the total revenues). Program revenues made up 42.4% of governmental activities revenue. In the 2010/11FY, program revenues accounted for 29.8% of governmental activities revenue. Program revenues accounted for 97.5% of the revenue for business-type activities in the 2011/12FY, up from 96.7% of the revenue in the 2010/11FY. 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 \$79.3 million (46.1% of the total revenues), and increased by 0.4% from the 2010/11FY. The majority of general revenues came from property, sales, and other taxes (95.8% of general revenues). All other general revenues accounted for 4.2% of the general revenues. Only 1.1% of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$3.4 million in the 2011/12FY, compared to \$0.6 million in the 2010/11FY.

Year to Year Variations in Expenses

City expenses for the year totaled \$167.2 million. Governmental activities incurred \$124.4 million in expenses (74.4% of the total), and business-type activities incurred \$42.8 million in expenses (25.6% of the total).

Overall City expenses increased by \$9.6 million (6.1%) in the 2011/12FY compared to the 2010/11FY. Governmental activities increased \$7.4 million (6.3%), due to the payoff of the \$7.8 million CalPERS Side Fund for the Safety Police Plan to realize savings of future interest costs of \$3.5 million, while business-type activities increased \$2.2 million (5.4%).

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.

Fund Balances

On June 21, 2011, the City Council adopted a resolution to establish the classification of fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." That resolution also identified two fund balance categories, the Economic Uncertainty Reserve and the Temporary Recession Reserve, as *Committed fund balances* and the Golf Course Debt Service Reserve as *Assigned fund balance*.

Funds reserved under Economic Uncertainty will be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events where the state or federal government declares a natural disaster. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve by Resolution any appropriations from the Economic Uncertainty Reserve. Temporary Recession Reserves will be used to mitigate certain annual budget revenue shortfalls (actual revenues are less than projected) due to changes in the economic environment. The "economic triggers" include: a significant decrease in property tax (5%) or sales tax (10%); changes in the formula and/or allocation of property and sales tax revenues and annual entitlements or grant funds by the state or federal government. The City's fiscal policies require that the City set aside two years of debt service, approximately \$3.2 million, for the 2003 Certificates of Participation (Certificates). The proceeds from the Certificates were used to acquire and construct the Callippe Preserve Golf Course. The combination of the Golf Course Debt Service Reserve in the General Fund (\$2.0 million) and the Debt Service Reserve in the Golf Course Fund (\$1.2 million) meet the \$3.2 million reserve requirement. The detail of the fund balance classifications are disclosed in *Note 11* in the **Notes to the Basic Financial Statements**.

As of June 30, 2012, the City's governmental funds reported combined fund balances of \$101.5 million, an increase of \$0.2 million in comparison with the 2010/11FY. *Nonspendable fund balances* of \$0.2 million cannot be spent due to not being in a spendable form. Approximately \$53.9 million of the combined governmental fund balance constitutes *Restricted fund balances* that are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. *Committed fund balances* of \$20.0 million are constrained for a specific purpose by the governmental entity and designated as such by the City Council, the City's highest level of decision making authority. *Assigned fund balances* of \$24.2 million are intended to be used for specific purposes and have been identified as such by the governing board or the Director of Finance, who has been delegated by the governing board to assign amounts. *Unassigned fund balances* of \$3.1 million consist of amounts that have not been classified as nonspendable, restricted, committed or assigned.

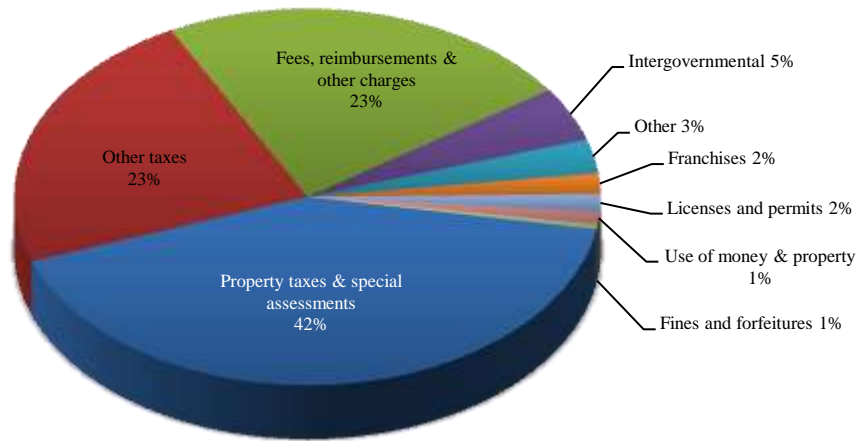
Revenues

The following table presents the amount of revenues from various sources, as well as increases or decreases in 2011/12FY.

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

Revenues by Source	FY 2011		FY 2012		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 48.8	43.2%	\$ 48.1	40.7%	\$ (0.7)	-1.4%
Other taxes	25.1	22.2%	26.4	22.3%	1.3	5.2%
Licenses and permits	1.5	1.3%	1.8	1.5%	0.3	20.0%
Fines and forfeitures	0.6	0.5%	0.5	0.4%	(0.1)	-16.7%
Use of money & property	1.2	1.1%	1.2	1.0%	-	0.0%
Intergovernmental	7.2	6.4%	5.4	4.6%	(1.8)	-25.0%
Franchises	2.0	1.8%	2.0	1.7%	-	0.0%
Fees, reimbursements & other charges	23.5	20.8%	29.4	24.9%	5.9	25.1%
Other	3.1	2.7%	3.4	2.9%	0.3	9.7%
Total	\$ 112.9	100.0%	\$ 118.2	100.0%	\$ 5.3	4.7%

Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source in 2011/12FY.

- Other taxes** increased by \$1.3 million (5.2%). This increase is primarily due to an increase in sales tax and hotel and motel tax revenues of \$0.6 million and \$0.5 million, respectively. Sales tax revenues went up steadily for the second straight year from \$18.5 million to \$19.1 million indicating that the business and industry sector is climbing out of the recession driven by an increase in consumer spending during the fiscal year. The significant boost in the other tax revenues was hotel and motel taxes where hotel and motel visitors pay 8% of their room rate per night. Hotel and motel tax revenues are cyclical and dependent upon economic activity. Recent revenue performance has been due in large part to increased average daily room rates coupled with a gradual recovery in occupancy rates.

- ***Intergovernmental revenues*** decreased by \$1.8 million (25.0%). Approximately half of the decrease is due to the prior year (2010/11FY) one time Proposition 1B funding of \$1.0 million that was not received in the 2011/12FY. In 2006, California voters approved Proposition 1B allowing the State to sell \$19.9 billion of general obligation bonds for State and local transportation improvement projects. The bond funds are to be used to relieve congestion, reduce street pavement deterioration, improve traffic flows, or increase the safety and security of the transportation system. The City's share of Proposition 1B bond funds is based on its population. The other contributor to the decrease in intergovernmental revenues consists of various American Recovery and Reinvestment Act of 2009 (ARRA) grants totaling \$1.6 million received in the 2010/11FY, compared to \$0.2 million of ARRA grants received in the 2011/12FY. The ARRA grant revenues were used for resurfacing local streets and roads and Energy Efficiency and Conservation projects. The decrease in intergovernmental revenues were offset with a new local streets and roads rehabilitation grant of \$0.9 million from the federal Surface Transportation Program and Congestion Mitigation and Air Quality Improvement for transportation projects through the Metropolitan Transportation Commission.
- ***Fees, reimbursements and other charges*** overall increased by \$5.9 million (25.1%), from \$23.5 million to \$29.4 million during the year. This increase is primarily due to the receipt of building related fees from Staples Ranch construction activity that is located at the southwest corner of I-580 and El Charro Road. The site was recently annexed into the City of Pleasanton and is planned for a senior continuing-care community, community park and future commercial development.

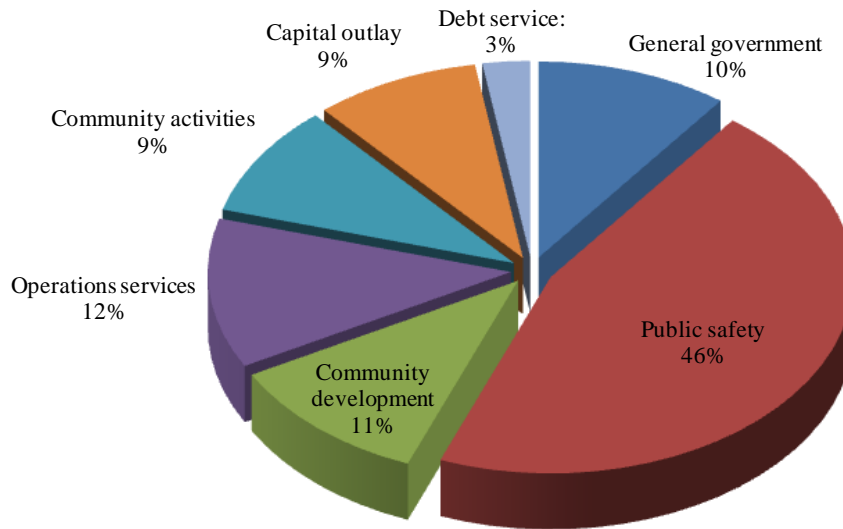
Expenditures

The following table presents expenditures by function in 2011/12FY compared to the 2010/11FY.

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

Expenditures by Function	FY 2011		FY 2012		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$11.2	10.1%	\$11.7	10.3%	\$0.5	4.5%
Public safety	50.1	45.3%	52.1	45.7%	2.0	4.0%
Community development	12.0	10.9%	12.7	11.1%	0.7	5.8%
Operations services	14.4	13.0%	14.1	12.4%	-0.3	-2.1%
Community activities	10.6	9.6%	10.5	9.2%	-0.1	-0.9%
Capital outlay	9.2	8.3%	10.1	8.9%	0.9	9.8%
Debt service:						
Principal	1.9	1.7%	1.9	1.7%	-	-
Interest and fiscal charges	1.1	1.0%	1.0	0.9%	-0.1	-9.1%
Total	<u>\$110.5</u>	<u>100.0%</u>	<u>\$114.1</u>	<u>100.0%</u>	<u>\$3.6</u>	<u>3.3%</u>

Expenditures by Function



The following provides an explanation of the significant changes in expenditures by function from the 2010/11FY.

- **General government** – The net increase of \$0.5 million (4.5%) is mainly due to an increase in the material, supplies and services category.
- **Public safety** – The net increase of \$2.0 million is mainly due to the increase in the annual required contributions for Police and Fire retiree medical benefits (OPEB).

- **Capital outlay** – Expenditures totaled \$10.1 million this year, an increase of \$0.9 million (9.8 %) from the 2010/11FY. The 2011/12FY included various street resurfacing project costs of \$3.5 million and the neighborhood parkland purchase for the Staples Ranch area of \$4.8 million.

Major Governmental Funds

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

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

General Fund budget-to-actual variances for the 2011/12FY will be discussed in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues were lower than projected by \$0.2 million (0.2%).
- Expenditures net of transfers were less than expected by \$1.3 million (1.5%).

The City Council has committed or assigned certain General Fund reserves in conformance with GASB Statement No. 54. The City maintains these commitments and assignment consistent with its formal financial policies. The following table summarizes all General Fund reserves, as well as nonspendable or unassigned fund balance, showing the beginning balances, plus changes resulting from the 2011/12FY operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of 6/30/2012

	Balance 6/30/2011	Budgeted Additions and Deletions	Actual Additions and Deletions	Budget to Actual Variance	Balance 6/30/2012
Committed Reserves					
Economic Uncertainty	\$ 8,783,285	\$ 198,426	\$ 198,426	\$ -	\$ 8,981,711
Temporary Recession	11,170,000	(122,000)	(122,000)	-	11,048,000
Assigned Reserves					
Golf Debt Service	2,000,000	-	-	-	2,000,000
Nonspendable/Unassigned*	3,375,697	(70,740)	(73,583)	(2,843)	3,302,114
Total Fund Balance	\$ 25,328,982	\$ 5,686	\$ 2,843	\$ (2,843)	\$ 25,331,825

* The \$2,843 variance in Unassigned Fund Balance represents the adjustment for unrecognized gains and losses prescribed in GASB Statement No. 31.

The City's **Special Revenue** funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

- Some special revenues are restricted for capital use and some are restricted for specific kinds of operating expenditures.
 - 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 Lower Income Housing Fee which may be paid by developers in lieu of constructing new affordable housing in the 2011/12FY included \$172,726 from the of new Clorox research and testing facility that will consolidate regional Clorox employees into one state-of-the-art R&D campus. The other financing source in 2011/12FY in this fund includes the resale of the property that was acquired in accordance with the Pleasanton Homeownership Assistance Program (PHAP) in 2010/11FY. The property was sold in 2011/12FY to an eligible low income household for \$267,477 utilizing the services of the Tri-Valley Home Opportunity Center.
 - 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. Pleasanton's share of costs for the joint fire department is presented in the City's *General Fund*. Compared to the prior fiscal year, revenues and expenses increased by 2.0% and 1.8%, respectively, due primarily to an increase in non-personnel costs including a new capital lease that acquired three LifePak cardiac monitor/defibrillators and training costs.

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

- Funding sources include annual transfers from the *General Fund* when funding is available 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 has resulted in developer fee funding shortfalls in the midst of project construction.
- None of the *Capital Project* funds were classified as a major fund in the 2011/12FY.

The City had two **Debt Service** funds remaining as of June 30, 2012 for the associated debt-financed City facilities including the Senior Center, Callippe Preserve Golf Course, and the Operations Service Center. None of the *Debt Service* funds were classified as a major fund in the 2011/12FY.

Proprietary Funds

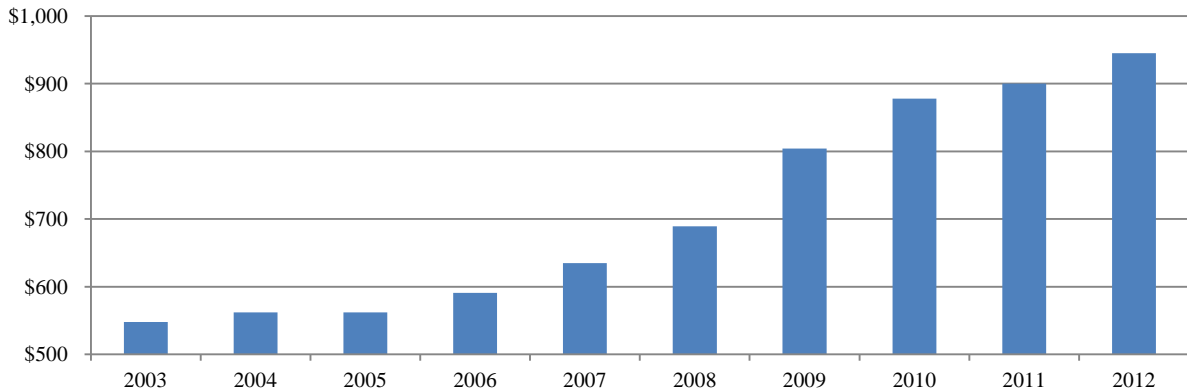
The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for the *Proprietary funds* consisted primarily of \$17.0 million for the Water Fund, \$19.9 million for the Sewer Fund, \$1.1 million for the Golf Fund, \$1.3 million for the Storm Drain Fund and \$0.8 million for the remaining *non-major enterprise funds*. Included within the unrestricted net assets, among other things, are amounts already committed for capital projects.

During the year net assets of the *Proprietary* funds decreased by \$3.1 million. Decreases included \$0.2 million in the Water Fund, \$0.2 million in the Sewer Fund, \$2.0 million in the Golf Fund and \$0.7 million in the Storm Drain Fund.

- The decrease in the Water Fund net assets of \$0.2 million was due primarily to higher materials, supplies and services expenses. The major cost driver is the rate hikes over the past several years in the treated wholesale water price paid to Zone 7. The below graph depicts the price increases over the last ten years in the Zone 7 treated water rate per acre-foot. The City’s water rate ordinance requires the City to increase its water rates to offset the increase in Zone 7 water rates in order to remain fiscally solvent. The City continues to monitor the revenues and expenses of the Water Fund.

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



- In 2011/12FY the operating loss (after depreciation) was \$2.8 million and was offset by non-operating income from interest revenues, capital contributions, connection fees, and transfers of \$2.5 million. This resulted in a decrease in net assets of \$0.2 million. A majority of these funds has the repayment of \$2.1 million from Vineyard Avenue Specific Plan fees to the Water Repair and Replacement and Expansion Funds. The remaining loan balance of \$5.7 million will be repaid in the future from the Vineyard Avenue 4th Tier Water fees (\$800,000) and future receipts of the Vineyard Avenue Specific Plan fees.
- The decrease in the Sewer Fund of \$0.2 million was due primarily to an operating loss of \$1.5 million after depreciation expenses of \$2.7 million and the adjustment of \$0.3 million from the City’s equity in the Livermore Amador Valley Water Management Agency. Similar to the Water operation, in order to remain fiscally solvent in the Sewer Fund, the City annually increases the sewer rates based on the change in the consumer price index (CPI). The non-operating income from interest revenues, capital contributions, connection fees, and transfers offset the loss by \$1.6 million resulting in a decrease in net assets of \$0.2 million. A majority of these funds was the repayment of \$1.1 million from Vineyard Avenue Specific Plan fees to the Sewer Expansion Fund.
- Golf Fund net assets decreased \$2.0 million this year due largely to depreciation expenses of \$1.7 million for golf course facilities. Operations from the City’s golf course contributed a profit of \$0.3 million towards the payment of the annual debt service. Due to the continued impact from the economy on golf course revenues resulting in fewer rounds played, the City’s golf course annual net income has been decreasing since 2008/09FY when it was \$0.9 million.
- The net decrease in the Storm Drain Fund of \$0.7 million was due primarily to the depreciation expense of \$1.1 million and resulted in an operating loss of \$1.2 million. The non-operating income from interest revenues, capital contributions, and transfers offset the loss by \$0.5 million.

Fiduciary Funds

The following is a summary of the significant changes in the City's *Fiduciary funds* in the 2011/12FY:

Pleasanton Joint Powers Financing Authority

In 1993, the Pleasanton Joint Powers Financing Authority (PJFPA) refunded \$220 million of assessment district bonds (originally fifteen (15) separate bond issues) that were sold during the 1980s to fund improvements needed to construct most of the City's business parks. These improvements included streets, utilities, freeway interchanges, water reservoirs, Fire Station No. 2 and the Fire Training Tower. In May 2004, the PJFPA refunded the outstanding 1993 bonds by issuing \$76,485,000 of PJFPA Reassessment Revenue Refunding Bonds 2004 Series A and B Bonds (the Bonds). The Bonds had a final maturity of September 2, 2011. In 2011/12FY, the PJFPA, as instructed by the Board, contributed the declared excess surplus monies in the Bond funds to the North Pleasanton/Downtown Fund for funding of capital improvements and facilities in the North Pleasanton/Downtown Area, and canceled the Local Obligations and any remaining Reassessments outstanding in the fifteen assessment districts.

California Employer's Retiree Benefit Trust

The City has established California Employer's Retiree Benefit Trust (CERBT) accounts to manage its other post employment benefits (OPEB) liability of the City and to comply with GASB No. 43 and No. 45 requirements. CERBT is a not-for-profit OPEB service provider managed by CalPERS. The assets held by CERBT are irrevocably dedicated to, and are used for the exclusive purpose of, providing for payments of OPEB. Consequently, the Miscellaneous and Fire Retiree Medical CERBT funds are not considered assets owned by the City. Detailed information about the City's OPEB obligations and the Annual Required Contribution (ARC) can be found in *Note 13* in the **Notes to Basic Financial Statements**.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's original budget (established in June 2011 when the City adopted the two year budget for fiscal years 2011/12 and 2012/13), final budget (adopted in November 2012 when the City Council approved the year-end report for the 2011/12FY) and actual results for 2011/12FY revenues, expenditures and transfers. Actual revenues were less than budget by \$0.2 million (0.2%) and expenditures were less than budget by about \$1.3 million (1.5%).

Differences between the original and final revenue budget reflect an increase of \$2.6 million (3.1%), and include, among other things, adjustments in projections for:

- sales tax and other tax revenues (\$2.1 million increase),
- plan check and planning fees (\$0.8 million increase),
- permits (\$0.3 million increase),
- recreation charges (\$0.2 million increase),
- interfund reimbursement revenues (\$0.4 million decrease) and
- grants and subventions revenues (\$0.3 million decrease).

Differences between the original and final expenditure budget represent a \$3.0 million increase (3.5%), and include adjustments to:

- personnel expenses (\$1.2 million increase),
- material, supplies and services (\$1.1 million increase),
- repairs and maintenance (\$0.6 million increase) and
- capital outlay (\$0.1 million increase).

General Fund 2011/12FY Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 87,334,465	\$ 89,950,672	\$ 89,768,766	\$ (181,906)
Expenditures	(84,476,220)	(87,445,560)	(86,111,643)	1,333,917
Other Financing Sources(Uses):				
Other financing sources	-	51,856	51,186	(670)
Transfers in	37,274	990,280	990,280	-
Transfers out	(2,895,519)	(4,716,519)	(4,695,746)	20,773
Net change in fund balance*	\$ -	\$ (1,169,271)	\$ 2,843	\$ 1,172,114

*Actual change in fund balance of \$2,843 represents the adjustment for unrecognized gains and losses prescribed in GASB Statement No 31.

Actual General Fund revenues were less than the final budget estimates by \$0.2 million in the 2011/12FY. Property tax revenues are the largest single revenue source for the General Fund and accounted for 53.4% of total revenues. Actual property tax collections in the 2011/12FY were \$0.5 million less than the final budget estimates of \$48.4 million and decreased 1.3% from the 2010/11FY. Property tax revenues include secured, unsecured, delinquent and supplemental property taxes. Sales tax revenues were less than the final budget estimates by \$0.7 million, accounting for 21.3% of total revenues (\$19.1 million). Sales tax revenues rebounded steadily from the 2010/11FY by 3.3% due to improved economic conditions in almost all sectors. Business License Tax, Hotel Tax, Documentary Transfer Tax, Recreation and Development Services Fees and Charges and Reimbursements were greater than anticipated by \$1.0 million resulting in a net decrease of \$0.2 million in overall actual revenues of \$89.8 million as compared to the Final Budget revenues.

Actual General Fund expenditures were less than the Final Budget estimates of \$87.4 million by \$1.3 million. The majority of the savings, \$1.2 million, occurred in the materials, supplies and services expenditures category, while the repairs and maintenance category experienced savings of \$0.1 million. The savings of \$1.3 million in expenditures is summarized below.

General Fund 2011/12FY Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$66,522,379	\$67,728,575	\$67,685,003	\$ 43,572
Transportation and Training	1,301,441	1,335,406	1,298,562	36,844
Repairs and Maintenance	1,786,196	2,347,904	2,245,136	102,768
Material, Supplies and Services	14,444,672	15,507,205	14,318,766	1,188,439
Capital Outlay	421,532	526,470	564,176	(37,706)
Total	\$84,476,220	\$87,445,560	\$86,111,643	\$1,333,917

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, 2012, was \$682.1 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, rights-of-way, buildings, improvements other than buildings, vehicles and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current period was \$9.2 million, or 1.4% (net of accumulative depreciation). Major capital asset events during the current fiscal year included:

- Governmental activities net capital assets increased overall by \$15.3 million in the 2011/12FY. Capital assets increased by \$29.6 million and were offset by decreases of \$12.7 million in depreciation and \$1.6 million from the retirement of assets, respectively. The following is a summary of the increases in Governmental activities in the 2011/12FY:
 - Various construction-in-progress projects totaling \$5.3 million including pavement and overlay of various streets were added during 2011/12FY while completed projects of \$17.9 million were transferred to various asset categories. The major completed project includes Firehouse Arts Center (\$11.8 million) and its parking improvements (\$2.1 million).
 - As part of the Staples Ranch development project, the City acquired neighborhood parkland at a cost of \$4.8 million from the Alameda County Surplus Property Authority (ACSPA). ACSPA also dedicated a 17-acre community park site valued at \$17.0 million.
 - Capital asset additions included various machinery and equipment of \$1.8 million, infrastructure addition of \$0.3 million and vehicle purchases of \$0.2 million.
- Business-type activities net capital assets decreased \$6.0 million and included:
 - Addition of \$2.2 million in nondepreciable assets including the Sewer Station #6 wet well submersible pump station project totaling \$2.0 million that was under construction in 2011/12FY.
 - Various infrastructures totaling \$0.6 million and the City's golf equipment of \$0.3 million funded by a new capital lease were the additions to the business-type activities capital assets.
 - These additions were offset by decreases due to depreciation of \$9.1 million resulting in a net decrease of \$6.0 million to capital assets.

For the government-wide financial statements 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 in 2011/12FY.

City of Pleasanton							
Capital Assets							
(net of depreciation, in millions of dollars)							
	Governmental activities		Business-type activities		Total		
	2011	2012	2011	2012	2011	2012	
Infrastructure	\$ 123.2	\$ 118.4	\$ 133.7	\$ 128.3	\$ 256.9	\$ 246.8	
Land	216.3	238.1	14.3	14.4	230.6	252.5	
Right-of-ways	36.3	36.3	-	-	36.3	36.3	
Public Art	-	0.3	-	-	-	0.3	
Buildings	43.9	54.6	21.2	20.5	65.1	75.1	
Improvements other than buildings	24.6	24.5	22.3	20.7	46.9	45.2	
Vehicles & equipment	6.9	8.0	10.1	9.6	17.0	17.6	
Construction in progress	17.8	4.0	2.3	4.3	20.1	8.4	
Total	\$ 469.0	\$ 484.3	\$ 203.8	\$ 197.8	\$ 672.8	\$ 682.1	

Additional information about the City's capital assets can be found in *Note 6* in the **Notes to Basic Financial Statements**.

Debt Administration

Debt considered a liability of governmental activities decreased by \$1.8 million in the 2011/12FY.

- The 2003 Certificates of Participation (COPs) and 2004 COPs outstanding were reduced by \$1.0 million and \$0.3 million, respectively, as a result of the normal amortization of the debt.
- The County of Alameda note payable for the purchase of the Alameda County Transportation Corridor was reduced by \$0.5 million as a result of the normal amortization of the note payable.
- The City entered into a five year capital lease to acquire three LifePak cardiac monitor/defibrillators in the amount of \$0.1 million.

Debt of the business-type activities decreased in the 2011/12FY by \$0.1 million as a result of normal amortization of the debt and the new addition of the capital lease for golf course maintenance equipment of \$0.3 million during the fiscal year.

The City's bonded indebtedness maintains a Moody's issuer rating as follows:

<u>Description</u>	<u>Underlying Rating</u>	<u>Insured Rating</u>
2003 Certificates of Participation	A1	Aa2
2004 Refunding Lease Certificates of Participation	A1	Aa2
2004 Sewer Revenue Bonds	A1	Aa2

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2011 and 2012:

**City of Pleasanton
Long Term Debt Outstanding**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
2003 Certificates of Participation	\$ 22,330,000	\$ 21,300,000	\$ -	\$ -	\$ 22,330,000	\$ 21,300,000
2004 Refunding Lease Certificates of Participation	1,450,000	1,105,000	-	-	1,450,000	1,105,000
State CALHFA Help Program note payable	342,487	342,487	-	-	342,487	342,487
Alameda County Transportation Corridor Purchase Agmt	2,340,000	1,872,000	-	-	2,340,000	1,872,000
Fire Equipment Capital Lease	-	92,630	-	-	-	92,630
2004 Sewer Revenue Bonds	-	-	685,000	520,000	685,000	520,000
Notes Payable - Federal Financing Bank	-	-	120,263	-	120,263	-
Golf Course Capital Lease	-	-	316,939	502,508	316,939	502,508
TOTAL	<u>\$ 26,462,487</u>	<u>\$ 24,712,117</u>	<u>\$ 1,122,202</u>	<u>\$ 1,022,508</u>	<u>\$ 27,584,689</u>	<u>\$ 25,734,625</u>

Additional information about the City’s long-term obligations can be found in *Note 7* in the **Notes to Basic Financial Statements**.

ECONOMIC FACTORS, NEW YEAR’S BUDGET AND CALPERS PENSION RATES

The net assessed value for taxable property in the City decreased 1.4% between the 2010/11FY and the 2011/12FY. Property taxes decreased between the 2010/11FY and the 2011/12FY by 1.3%, as a result of the lower assessed property value and lower delinquent tax revenues. The unemployment rate in Alameda County has improved to 9.5% as of June 2012 as compared with 11.4% for June 2011, whereas the unemployment rate in the City of Pleasanton has shown some modest improvement at 4.8% as of June 2012 compared to the prior year of 5.5%. The required contribution rates as a percentage of payroll for the City’s retirement funding, including the employee portion, will be changing effective July 1, 2012:

- Miscellaneous Plan 30.12%
- Safety Fire Plan 42.29%
- Safety Police Plan (pooled) 33.71%

As of the adoption of the Midterm Budget for the 2012/13FY by the City Council on June 19, 2012, the economic outlook for the City was considered to be stable with some modest improvement. The adopted 2012/13FY General Fund Budget of approximately \$89.7 million is a slight decrease from the final 2011/12FY budget, and the City is anticipating that current revenue sources will match expenditures and net transfers.

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. Additional information regarding the City's component units may be found in the separately-issued financial statements for the Housing Authority of the City of Pleasanton, California. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, CA 94566.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank.

City of Pleasanton
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 171,694,703	\$ 33,711,676	\$ 205,406,379
Receivables (net):			
Accounts	6,253,587	4,903,272	11,156,859
Taxes	669,452	-	669,452
Grants	838,145	-	838,145
Interest	677,807	79,354	757,161
Lease	1,319,536	-	1,319,536
Deposits	1,002,371	-	1,002,371
Due to (from) fiduciary funds	8,636	-	8,636
Internal balances	(1,148,406)	1,148,406	-
Inventory and prepaid items	417,368	128,092	545,460
Restricted cash and investments	394,964	68,503	463,467
Notes receivable	7,295,663	-	7,295,663
Bond issuance cost, net	610,917	32,904	643,821
Net investment in joint ventures	-	9,845,130	9,845,130
Deferred loss	-	31,737	31,737
Capital assets:			
Nondepreciable	278,782,445	18,692,487	297,474,932
Depreciable, net	205,477,744	179,118,023	384,595,767
Total assets	<u>674,294,932</u>	<u>247,759,584</u>	<u>922,054,516</u>
LIABILITIES			
Accounts payable	5,064,524	3,798,256	8,862,780
Payroll payable	970,944	61,367	1,032,311
Interest payable	256,625	-	256,625
Refundable deposits	91,856	84,427	176,283
Unearned revenue	3,204,879	393,260	3,598,139
Long-term liabilities:			
Due within one fiscal year	4,562,146	274,198	4,836,344
Due in more than one fiscal year	30,130,880	748,310	30,879,190
Total liabilities	<u>44,281,854</u>	<u>5,359,818</u>	<u>49,641,672</u>
NET ASSETS			
Invested in capital assets, net of related debt	459,571,666	196,819,739	656,391,405
Restricted for:			
Debt service	394,964	68,503	463,467
Capital projects	33,074,029	4,204,999	37,279,028
Special projects	4,870,927	-	4,870,927
Community development	15,605,108	-	15,605,108
Total restricted net assets	<u>53,945,028</u>	<u>4,273,502</u>	<u>58,218,530</u>
Unrestricted net assets	116,496,384	41,306,525	157,802,909
Total net assets	<u>\$ 630,013,078</u>	<u>\$ 242,399,766</u>	<u>\$ 872,412,844</u>

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2012

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 12,456,676	\$ (1,168,819)	\$ 530,379	\$ -	\$ -
Public safety	61,545,745	-	15,349,962	680,449	-
Community development	12,945,618	(331,302)	4,213,319	916,634	3,764,405
Operations services	24,187,785	884,493	172,033	1,500	23,605,109
Community activities	12,186,269	-	3,814,092	382,640	3,560,912
Interest on long-term debt	1,048,843	-	-	-	-
Total governmental activities	124,370,936	(615,628)	24,079,785	1,981,223	30,930,426
Business-type activities:					
Water	21,045,047	(420,512)	17,858,731	81,861	(247,124)
Sewer	13,260,684	955,487	12,450,545	-	157,521
Golf	5,146,812	-	3,924,212	-	-
Transit	690,067	-	36,393	163,572	-
Storm Drain	1,667,305	79,052	365,155	-	189,199
Cemetery	20,943	1,601	102,046	-	-
Pleasanton Housing Authority	380,940	-	153,255	125,556	-
Total business-type activities	42,211,798	615,628	34,890,337	370,989	99,596
Total primary government	\$ 166,582,734	\$ -	\$ 58,970,122	\$ 2,352,212	\$ 31,030,022

General Revenues:

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,757,478)	\$ -	\$ (10,757,478)
(45,515,334)	-	(45,515,334)
(3,719,958)	-	(3,719,958)
(1,293,636)	-	(1,293,636)
(4,428,625)	-	(4,428,625)
(1,048,843)	-	(1,048,843)
(66,763,874)	-	(66,763,874)
-	(2,931,067)	(2,931,067)
-	(1,608,105)	(1,608,105)
-	(1,222,600)	(1,222,600)
-	(490,102)	(490,102)
-	(1,192,003)	(1,192,003)
-	79,502	79,502
-	(102,129)	(102,129)
-	(7,466,504)	(7,466,504)
(66,763,874)	(7,466,504)	(74,230,378)
47,923,732	-	47,923,732
6,962,201	-	6,962,201
19,107,418	-	19,107,418
36,534	-	36,534
2,012,970	-	2,012,970
76,042,855	-	76,042,855
1,439,639	282,760	1,722,399
983,690	589,950	1,573,640
(3,443,695)	3,443,695	-
75,022,489	4,316,405	79,338,894
8,258,615	(3,150,099)	5,108,516
621,754,463	245,549,865	867,304,328
\$ 630,013,078	\$ 242,399,766	\$ 872,412,844

This page left intentionally blank.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2012**

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
ASSETS					
Cash and investments	\$ 21,417,980	\$ 15,009,023	\$ 449,739	\$ 59,894,811	\$ 96,771,553
Receivables (net):					
Accounts	4,843,832	-	25,334	1,336,630	6,205,796
Taxes	669,452	-	-	-	669,452
Grants	-	-	-	838,145	838,145
Interest	91,192	108,468	-	305,868	505,528
Lease	-	1,319,536	-	-	1,319,536
Deposits	-	-	-	1,002,371	1,002,371
Due from other funds	1,478,067	-	-	-	1,478,067
Restricted cash and investments	-	-	-	394,964	394,964
Notes receivable, net	218,658	5,095,118	-	1,981,887	7,295,663
Total assets	\$ 28,719,181	\$ 21,532,145	\$ 475,073	\$ 65,754,676	\$ 116,481,075
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,484,351	\$ 38,094	\$ 269,667	\$ 962,060	\$ 3,754,172
Payroll payable	801,577	-	169,367	-	970,944
Due to other funds	-	-	-	1,413,045	1,413,045
Refundable deposits	-	2,189	-	89,667	91,856
Deferred revenue	101,428	6,484,456	36,039	2,178,073	8,799,996
Total liabilities	3,387,356	6,524,739	475,073	4,642,845	15,030,013
Fund Balances:					
Nonspendable	218,658	-	-	-	218,658
Restricted	-	15,007,406	-	38,937,622	53,945,028
Committed	20,029,711	-	-	-	20,029,711
Assigned	2,000,000	-	-	22,174,209	24,174,209
Unassigned	3,083,456	-	-	-	3,083,456
Total fund balances	25,331,825	15,007,406	-	61,111,831	101,451,062
Total liabilities and fund balances	\$ 28,719,181	\$ 21,532,145	\$ 475,073	\$ 65,754,676	\$ 116,481,075

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, 2012

Fund Balances - Total Governmental Funds	\$ 101,451,062
---	-----------------------

Amounts reported for governmental activities in the Statement of Net Assets

Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$8,257,524.

476,002,665

Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.

5,595,117

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.

610,917

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.

71,322,059

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	(21,300,000)
2004 Certificates of Participation	(1,105,000)
Note payable to State	(342,487)
Note payable to Alameda County	(1,872,000)
Capital lease	(92,630)
Accrued interest payable	<u>(256,625)</u>
Total long-term liabilities	<u>(24,968,742)</u>

Net Assets of Governmental Activities	\$ 630,013,078
--	-----------------------

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, 2012

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 74,342,216	\$ -	\$ -	\$ -	\$ 74,342,216
Special assessments	-	-	-	198,710	198,710
Licenses	11,180	-	-	-	11,180
Permits	1,775,254	-	-	-	1,775,254
Fines and forfeitures	512,713	-	-	1,900	514,613
Use of money and property	309,147	342,266	-	518,022	1,169,435
Intergovernmental	568,713	-	47,298	4,782,738	5,398,749
Franchises	2,012,970	-	-	-	2,012,970
Charges for services	1,031,572	-	13,563,437	29,989	14,624,998
Development fees	422,479	349,844	-	3,050,141	3,822,464
Plan check fees	1,616,141	-	-	-	1,616,141
Reimbursements	1,060,323	188,820	10,213	265,674	1,525,030
Contributions and donations	19,895	-	-	4,321,442	4,341,337
Other revenues	2,581,239	267,477	7,052	470,744	3,326,512
Recreation charges	3,504,924	-	-	-	3,504,924
Total revenues	89,768,766	1,148,407	13,628,000	13,639,360	118,184,533
EXPENDITURES:					
Current:					
General government	11,671,393	-	-	-	11,671,393
Public safety	38,411,111	-	13,606,020	111,269	52,128,400
Community development	11,776,550	508,029	-	374,299	12,658,878
Operations services	13,659,715	-	-	449,529	14,109,244
Community activities	10,023,828	-	-	527,627	10,551,455
Capital outlay	564,176	-	89,533	9,469,825	10,123,534
Debt service:					
Principal	4,870	-	4,871	1,843,000	1,852,741
Interest, fiscal charges	-	-	-	1,009,993	1,009,993
Total expenditures	86,111,643	508,029	13,700,424	13,785,542	114,105,638
REVENUES OVER (UNDER) EXPENDITURES	3,657,123	640,378	(72,424)	(146,182)	4,078,895
OTHER FINANCING SOURCES (USES):					
Capital lease	51,186	-	51,186	-	102,372
Transfers in	990,280	-	21,238	9,160,934	10,172,452
Transfers out	(4,695,746)	-	-	(9,509,152)	(14,204,898)
Total other financing sources (uses)	(3,654,280)	-	72,424	(348,218)	(3,930,074)
Net change in fund balances	2,843	640,378	-	(494,400)	148,821
FUND BALANCES:					
Beginning of year	25,328,982	14,367,028	-	61,606,231	101,302,241
End of year	\$ 25,331,825	\$ 15,007,406	\$ -	\$ 61,111,831	\$ 101,451,062

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 For the year ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 148,821
---	-------------------

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

Governmental funds report acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets were allocated over their estimated useful lives as depreciation expense.

Capital outlay (net of internal service funds of \$1,109,397).	8,070,553
Depreciation (net of internal service funds of \$1,345,736).	(11,352,925)

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.

19,165,306

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.

(327,382)

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.

(71,064)

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.

1,165

Issuance of long-term debt is other financing sources in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Assets.

(102,371)

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	468,000
2003 Certificates of Participation	1,030,000
2004 Certificates of Participation	345,000
Capital lease	9,742

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.

(9,086,215)

Change in Net Assets of Governmental Activities	\$ 8,258,615
--	---------------------

See accompanying Notes to Basic Financial Statements.

This page intentionally left blank.

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf	Storm Drain	Other	Total	Internal
					Non-major Enterprise Funds		Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 17,869,254	\$ 12,054,795	\$ 1,521,884	\$ 1,297,117	\$ 968,626	\$ 33,711,676	\$ 74,923,150
Receivables (net):							
Accounts	3,235,559	1,576,544	2,066	4,027	85,076	4,903,272	47,791
Interest	43,333	30,758	1,191	3,074	998	79,354	172,279
Inventory and prepaid items	-	-	128,092	-	-	128,092	417,368
Restricted cash and investments	-	68,503	-	-	-	68,503	-
Total current assets	21,148,146	13,730,600	1,653,233	1,304,218	1,054,700	38,890,897	75,560,588
Noncurrent assets:							
Bond issuance costs, net of accumulated amortization	17,522	15,382	-	-	-	32,904	-
Net investment in joint ventures	-	9,845,130	-	-	-	9,845,130	-
Advances to other funds	-	-	-	-	-	-	6,919,821
Deferred loss	31,737	-	-	-	-	31,737	-
Capital assets:							
Nondepreciable	2,248,875	3,923,488	12,434,327	24,047	61,750	18,692,487	610,700
Depreciable, net	73,819,784	56,160,496	22,932,573	25,733,279	471,891	179,118,023	7,646,824
Total noncurrent assets	76,117,918	69,944,496	35,366,900	25,757,326	533,641	207,720,281	15,177,345
Total assets	97,266,064	83,675,096	37,020,133	27,061,544	1,588,341	246,611,178	90,737,933
LIABILITIES							
Current liabilities:							
Accounts payable	1,808,982	1,694,478	266,870	5,348	22,578	3,798,256	1,310,352
Due to other funds	-	-	-	-	56,386	56,386	-
Payroll payable	33,490	16,421	-	4,414	7,042	61,367	-
Interest payable	-	-	-	-	-	-	-
Refundable deposits	-	-	72,596	-	11,831	84,427	-
Unearned revenue	76,294	-	209,632	-	107,334	393,260	-
Accrued compensated absences	-	-	-	-	-	-	1,352,789
Claims payable	-	-	-	-	-	-	1,716,553
Capital leases payable - due within one year	-	-	109,198	-	-	109,198	-
Bonds payable - due within one year	-	165,000	-	-	-	165,000	-
Total current liabilities	1,918,766	1,875,899	658,296	9,762	205,171	4,667,894	4,379,694
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	-	-	6,919,821
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	3,763,294
Claims payable - due in more than one year	-	-	-	-	-	-	3,148,273
Capital leases payable - due in more than one year	-	-	393,310	-	-	393,310	-
Bonds payable - due in more than one year	-	355,000	-	-	-	355,000	-
Total noncurrent liabilities	-	355,000	393,310	-	-	748,310	13,831,388
Total liabilities	1,918,766	2,230,899	1,051,606	9,762	205,171	5,416,204	18,211,082
NET ASSETS							
Invested in capital assets, net of related debt	76,100,396	59,563,984	34,864,392	25,757,326	533,641	196,819,739	7,938,631
Restricted for:							
Debt service	-	68,503	-	-	-	68,503	-
Capital improvements	2,246,577	1,958,422	-	-	-	4,204,999	-
Unrestricted	17,000,325	19,853,288	1,104,135	1,294,456	849,529	40,101,733	64,588,220
Total net assets	\$ 95,347,298	\$ 81,444,197	\$ 35,968,527	\$ 27,051,782	\$ 1,383,170	241,194,974	\$ 72,526,851

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.

	1,204,792
Net assets of business-type activities	<u>\$ 242,399,766</u>

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES:							
Charges for services	\$ 19,203,179	\$ 12,389,854	\$ 3,924,212	\$ 514,075	\$ 291,694	\$ 36,323,014	\$ 31,785,032
Miscellaneous	146,064	43,599	5,031	151,215	157,587	503,496	170,600
Total operating revenues	19,349,243	12,433,453	3,929,243	665,290	449,281	36,826,510	31,955,632
OPERATING EXPENSES:							
Personnel services	2,873,598	1,120,955	1,574,841	417,829	688,385	6,675,608	35,453,589
Transportation	66,844	35,984	-	3,179	60,332	166,339	-
Repairs and maintenance	102,546	22,162	528,395	1,893	85,613	740,609	-
Materials, supplies, and services	15,706,660	9,899,457	1,285,583	389,818	90,745	27,372,263	5,534,142
Amortization	22,654	7,080	-	-	-	29,734	-
Depreciation	3,336,578	2,743,599	1,746,536	1,083,287	159,311	9,069,311	1,345,736
Total operating expenses	22,108,880	13,829,237	5,135,355	1,896,006	1,084,386	44,053,864	42,333,467
OPERATING INCOME (LOSS)	(2,759,637)	(1,395,784)	(1,206,112)	(1,230,716)	(635,105)	(7,227,354)	(10,377,835)
NONOPERATING REVENUES (EXPENSES):							
Grants	81,861	-	-	-	289,128	370,989	-
Intergovernmental	-	-	-	-	86,454	86,454	-
Interest income	151,514	104,739	11,323	10,289	4,895	282,760	574,070
Interest expense	-	(19,838)	(11,457)	-	-	(31,295)	-
Equity interest in loss from joint ventures	-	(320,646)	-	-	-	(320,646)	-
Gain (loss) from sale of capital assets	(6,349)	(82,627)	-	-	-	(88,976)	5,410
Total nonoperating revenues (expenses)	227,026	(318,372)	(134)	10,289	380,477	299,286	579,480
Net income (loss) before contributions and transfers	(2,532,611)	(1,714,156)	(1,206,246)	(1,220,427)	(254,628)	(6,928,068)	(9,798,355)
Capital contributions received (made)	(247,124)	157,521	-	189,199	-	99,596	69,218
Connection fees	187,060	101,789	-	-	-	288,849	-
Transfers in	2,357,855	1,226,321	1,330,000	333,804	360,416	5,608,396	1,344,675
Transfers out	-	-	(2,164,701)	-	-	(2,164,701)	(755,924)
Change in net assets	(234,820)	(228,525)	(2,040,947)	(697,424)	105,788	(3,095,928)	(9,140,386)
NET ASSETS:							
Beginning of year	95,582,118	81,672,722	38,009,474	27,749,206	1,277,382		81,667,237
End of year	\$ 95,347,298	\$ 81,444,197	\$ 35,968,527	\$ 27,051,782	\$ 1,383,170		\$ 72,526,851
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.						(54,171)	
Change in net assets of business-type activities						<u>\$ (3,150,099)</u>	

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2012**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash receipt from customers	\$ 18,959,329	\$ 12,505,397	\$ 3,946,156	\$ 513,917	\$ 448,590	\$ 36,373,389	\$ 31,761,008
Cash payment to suppliers for goods and services	(17,040,992)	(9,844,017)	(1,759,644)	(412,549)	(243,863)	(29,301,065)	(5,786,214)
Cash payment to employees for services	(2,926,596)	(1,144,724)	(1,574,841)	(428,734)	(700,290)	(6,775,185)	(35,562,806)
Miscellaneous revenue	162,264	43,599	5,031	151,215	157,587	519,696	170,600
Net cash provided (used) by operating activities	(845,995)	1,560,255	616,702	(176,151)	(337,976)	816,835	(9,417,412)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Grants received	81,861	-	-	-	289,128	370,989	-
Intergovernmental funds received	-	-	-	-	86,454	86,454	-
Transfer in	2,357,855	1,226,321	1,330,000	333,804	360,416	5,608,396	1,344,675
Transfer out	-	-	(2,164,701)	-	-	(2,164,701)	(755,924)
Net cash provided (used) by noncapital financing activities	2,439,716	1,226,321	(834,701)	333,804	735,998	3,901,138	588,751
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on long-term debt	-	(165,000)	(107,557)	-	(120,263)	(392,820)	-
Interest payments	-	(19,838)	(11,457)	-	(5,293)	(36,588)	-
Capital asset acquisition	(642,271)	(2,095,446)	-	-	(9,365)	(2,747,082)	(1,036,713)
Connection fees received	187,060	101,789	-	-	-	288,849	-
Proceeds from sale of capital assets	-	-	-	-	-	-	69,218
Net cash provided (used) by capital and related financing activities	(455,211)	(2,178,495)	(119,014)	-	(134,921)	(2,887,641)	(967,495)
CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES:							
Interest received	164,737	115,469	11,802	10,438	4,801	307,247	680,243
Net cash provided by (used in) noncapital investing activities	164,737	115,469	11,802	10,438	4,801	307,247	680,243
Net increase (decrease) in cash and cash equivalents	1,303,247	723,550	(325,211)	168,091	267,902	2,137,579	(9,115,913)
CASH AND CASH EQUIVALENTS:							
Beginning of year	16,566,007	11,399,748	1,847,095	1,129,026	700,724	31,642,600	84,039,063
End of year	\$ 17,869,254	\$ 12,123,298	\$ 1,521,884	\$ 1,297,117	\$ 968,626	\$ 33,780,179	\$ 74,923,150
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (2,759,637)	\$ (1,395,784)	\$ (1,206,112)	\$ (1,230,716)	\$ (635,105)	\$ (7,227,354)	\$ (10,377,835)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	3,359,232	2,750,679	1,746,536	1,083,287	159,311	9,099,045	1,345,736
Decrease (increase) in:							
Accounts receivable	(243,850)	115,543	21,944	(158)	49,764	(56,757)	(24,024)
Inventory and prepaid items	-	-	13,442	-	-	13,442	(417,368)
Increase (decrease) in:							
Accounts payable	(1,164,942)	113,586	27,916	(17,659)	(5,059)	(1,046,158)	298,853
Accrued payroll	(52,998)	(23,769)	-	(10,905)	(11,905)	(99,577)	(104,390)
Due to other funds	-	-	-	-	(2,114)	(2,114)	-
Deferred revenue	16,200	-	15,971	-	107,273	139,444	-
Refundable deposits	-	-	(2,995)	-	(141)	(3,136)	-
Accrued benefits payable	-	-	-	-	-	-	(4,827)
Claims payable	-	-	-	-	-	-	(133,557)
Net cash provided (used) by operating activities	\$ (845,995)	\$ 1,560,255	\$ 616,702	\$ (176,151)	\$ (337,976)	\$ 816,835	\$ (9,417,412)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Capital assets contributed by developers	\$ (247,124)	\$ 157,521	\$ -	\$ 189,199	\$ -	\$ 99,596	\$ 54,218
Total noncash capital and related financing activities	\$ (247,124)	\$ 157,521	\$ -	\$ 189,199	\$ -	\$ 99,596	\$ 54,218

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Fiduciary Funds
June 30, 2012

	Private-Purpose Trust	Agency
ASSETS		
Cash and investments	\$ 491,466	\$ 1,904,802
Receivables (net):		
Accounts	1,525	501,321
Interest	616	108
Notes receivable	-	32,883
Total assets	<u>493,607</u>	<u>2,439,114</u>
LIABILITIES		
Accounts payable	-	1,241,496
Due to other funds	-	8,637
Due to employees	-	32,883
Deposits	-	1,156,098
Total liabilities	<u>-</u>	<u>\$ 2,439,114</u>
NET ASSETS		
Net assets	<u>\$ 493,607</u>	

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Changes in Fiduciary Net Assets
Trust Funds
For the Year Ended June 30, 2012

	Private-Purpose Trust
ADDITIONS:	
Investment income	\$ 1,683
Miscellaneous	1,925
Contributions	378,564
Total additions	<u>382,172</u>
DEDUCTIONS:	
Operations services	16,518
Total deductions	<u>16,518</u>
Changes in net assets	<u>365,654</u>
NET ASSETS:	
Beginning of year	<u>127,953</u>
End of year	<u>\$ 493,607</u>

See accompanying Notes to Basic Financial Statements.

This page intentionally left blank.

City of Pleasanton
Index to Notes to Basic Financial Statements
For the year ended June 30, 2012

	<u>Page</u>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	47
2. DEFICIT IN INDIVIDUAL FUNDS.....	56
3. CASH AND INVESTMENTS.....	57
4. NOTES RECEIVABLE.....	61
5. INTERFUND TRANSACTIONS.....	65
6. CAPITAL ASSETS.....	67
7. LONG-TERM LIABILITIES.....	68
8. RISK MANAGEMENT.....	75
9. COMPENSATED ABSENCES.....	76
10. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL.....	76
11. NET ASSETS / FUND BALANCES.....	79
12. DEFINED BENEFIT PENSION PLAN.....	81
13. POST EMPLOYMENT HEALTH CARE BENEFITS.....	83
14. COMMITMENTS AND CONTINGENCIES.....	88
15. SUBSEQUENT EVENTS.....	89

This page intentionally left blank.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Pleasanton Joint Powers Financing Authority (Authority) - The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the City in 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. Separate financial statements for the Housing Authority may be obtained from the City's Finance Department located in City Hall at 123 Main Street, Pleasanton, CA 94566.

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
For the year ended June 30, 2012

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
For the year ended June 30, 2012

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. The types of transactions reported as program revenues for the City are reported in three categories: charges for services, operating grants and contributions, and capital grants and contributions. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 90 days after year-end, with the exception of property tax for which the accrual period is 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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

The Livermore/Pleasanton Fire Department (Livermore Share Only) - is a special revenue fund used to account for and report the City of Livermore's contributions to pay for its share of the consolidated fire department's expenditures. The City of Livermore's share of the consolidated fire department's revenues are also included in this fund.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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

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

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 City 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 and a private purpose trust fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The private purpose trust fund is accounted for using the economic resources measurement focus. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

The 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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. 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 that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments. The City maintains allowances for doubtful accounts of \$17,500 in the Water Fund and \$13,000 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

H. Inventory

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

I. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000 and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000. 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:

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. *Compensated Absences*

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

K. *Long-Term Debt*

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

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

L. *Interest Payable*

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

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

M. *Property Taxes*

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

N. *Net Assets / Fund Equity*

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

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Net Assets / Fund Equity, Continued

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

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

O. Use of Restricted and Unrestricted Net Assets/Fund Balance

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

P. Fund Balances - Governmental Funds

On June 21, 2011, the City Council adopted Resolution No. 11-463 classifying the City's fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Fund balance commitments may be established, modified, or rescinded only by formal action (resolution or ordinance) of the City Council, the City's highest level of decision-making authority. Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City's Director of Finance. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the City's policy is to apply committed fund balance first, followed by assigned fund balance and then unassigned fund balance.

Additionally, the City Council has committed the General Fund reserves in accordance with the City's fiscal policies for the Economic Uncertainty Reserve and the Temporary Recession Reserve, and assigned the Golf Course Debt Service Reserve in conformance with GASB Statement No. 54. These commitments may only be changed by approval of a subsequent resolution of the City Council. Resolution No. 11-463 also specified that the Economic Uncertainty Reserve would be maintained at a level equal to 10% of General Fund revenues.

Funds committed under the Economic Uncertainty Reserve will be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events where the state or federal government declares a natural disaster. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve appropriations from the Economic Uncertainty Reserve. Funds committed under the Temporary Recession Reserve will be used to mitigate, should they occur, certain annual budget revenue shortfalls (actual revenues are less than projected) due to changes in the economic environment. The "economic triggers" are a significant decrease in property tax (5%) or sales tax revenue (10%). The City Council designated the Director of Finance as the City official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance."

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Use of Estimates

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

R. Implementation of New GASB Pronouncements

In the 2011/12FY, the City adopted a new accounting standard in order to conform to the following Governmental Accounting Standards Board Statement:

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53* – The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. The City has not entered into any swap agreements which would have given rise to implementation of hedge accounting procedures.

2. DEFICIT IN INDIVIDUAL FUNDS

On July 1, 2011, the Retirees Medical Reserve internal service fund advanced \$7,840,284 to the Employee Benefits internal service fund to internally finance the payoff of the PERS Police Retirement Group side fund loan. As a result of the payment to PERS, the Employee Benefits internal service fund finished the 2011/12FY with a net assets deficit of \$4,706,680 as shown in the Internal Service Funds Combining Statement of Revenues, Expenses and Changes in Net Assets. Eliminating the side fund loan reduced annual public safety personnel expenses in the General Fund beginning in the 2011/12FY. The deficit, as well as the advance from the Retirees Medical Reserve Fund, will be eliminated over the next seven years through annual payments from the General Fund. The annual deficit reduction payment from the General Fund for the 2011/12 FY was \$920,463. In the Government-Wide Statement of Activities and Changes in Net Assets, the Governmental Activities Public Safety function Expense column includes \$6,919,821 which represents the amount remaining to be repaid to the Employee Benefits Fund.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

3. 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, 2012:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 171,694,703	\$ 33,711,676	\$ 2,396,268	\$ 207,802,647
Restricted cash and investments	394,964	68,503	-	463,467
Total	\$ 172,089,667	\$ 33,780,179	\$ 2,396,268	\$ 208,266,114

At June 30, 2012, the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value June 30, 2012
City Treasury:	
Deposits:	
Cash on hand	\$ 7,425
Deposits with banks	4,524,686
Certificates of deposits	190,015
Total Deposits	4,722,126
Investments	
U.S. Government treasuries	2,007,040
U.S. Government agencies	147,772,154
Money market	81
Medium-term corporate notes	1,033,770
Certificates of deposits	980,000
California Local Agency Investment Fund	51,287,476
Total Investments	203,080,521
Total City Treasury	207,802,647
Cash with Fiscal Agent	463,467
Total City and fiscal agent cash and investments	\$ 208,266,114

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

A. Deposits

At June 30, 2012, the carrying amount of the City's cash deposits with the bank had a balance of \$4,524,686 and the bank's balance was \$2,830,745. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,296,866 was covered by federal depository insurance and \$1,533,879 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks to secure a City's deposits by pledging government securities with a value of 110% 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, 2012 was \$463,467 held by trustees or fiscal agents. These funds may only be used for the payment of certain bonds and certificates of participation and have been invested only as permitted by specific state statutes or applicable City ordinances, resolutions, or bond indentures.

GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires that the City's investments be carried at fair market value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in market value at the fiscal year ended June 30, 2012 from the fiscal year ended June 30, 2011 amounted to an unrealized loss of \$6,087.

During the year, the City held callable notes. Callable notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Bank (FHLB). These securities could be called prior to maturity, depending on changes in interest rates. As of June 30, 2012, the City held \$117,327,716 in callable notes, which amounted to 57.77% of total investments.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk

As a means of limiting its exposure to fair market value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2012, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 5
U.S. Government treasuries	\$ 2,007,040	\$ 2,007,040	\$ -
U.S. Government agencies	147,772,154	20,093,447	127,678,707
Money market	81	81	-
Meditum-term notes	1,033,770	1,033,770	-
Certificates of deposit	980,000	980,000	-
California Local Agency Investment Fund	51,287,476	51,287,476	-
Total	\$ 203,080,521	\$ 75,401,814	\$ 127,678,707

D. Credit Risk

The City's policy, consistent with state law, limits investments in corporate notes to notes rated "A" or better by a nationally recognized statistical rating organization (NRSRO), including Moody's Investor's Service and Standard & Poor's.

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2012, the ratings, as well as the percentage of credit risk expressed on a percentage basis, are as follows:

	Moody's	Standard & Poor's	Percentage
U.S. Government Treasuries	Aaa	AA	0.99%
U.S. Government Agencies			
Federal Farm Credit Bank	Aaa	AA	29.12%
Federal Home Loan Bank	Aaa	AA	24.38%
Federal Home Loan Mortgage Corporation	Aaa	AA	3.46%
Federal National Mortgage Association	Aaa	AA	15.81%
U.S. Treasury Money Market Funds			
Fidelity - Government Portfolio	Aaa	AA	0.00%

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

D. Credit Risk, Continued

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

U.S. Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 59,130,079	29.12%
Federal Home Loan Bank	49,508,086	24.38%
Federal National Mortgage Association	32,099,986	15.81%
	\$ 140,738,151	69.31%

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

E. External Investment Pool

As of June 30, 2012, the City had \$51,287,476 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 a State in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and the State Controller. The LAIF determines the fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. At June 30, 2012, 56.94% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

As of June 30 2012, 3.47% of LAIF's portfolio was invested in Structured Notes and Asset-Backed Securities. These investments included the following:

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

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

Fair value of LAIF was calculated by applying a factor of 1.001219643 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
For the year ended June 30, 2012

4. NOTES RECEIVABLE

The following table summarizes the notes receivable outstanding as of June 30, 2012, and a brief description of each of the loan categories appears below the table:

	Government- Wide Statement of Net Assets
Housing Loans	
Multifamily Housing Projects - Developers	\$ 4,058,813
Revolving Home Loans - Individuals	971,305
Nonprofit Public Benefit Corporation	65,000
HOME Grant Program Loans	1,305,350
CDBG Program Loans	556,505
In-Lieu Parking Fee Loans	105,000
Sewer Connection Fee Loans	218,658
Happy Valley Infrastructure Loans	15,032
Total	<u>\$ 7,295,663</u>

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

HOME Grant Program Loans - Through its membership in the Alameda County HOME Consortium, the City receives an annual allocation of federal funds through the HOME Investment Partnership Program (HOME). The City has received approximately \$150,000 annually since 1993 through a formula administered by the County of Alameda. The City has allocated its HOME funds primarily to agencies and programs that provide housing to low-income persons and households.

CDBG Program Loans - As an "entitlement city" with a population greater than 50,000, the City receives an annual allocation of federal funds directly from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program. The City receives approximately \$250,000 annually and makes its CDBG funds available annually for application by agencies that provide housing and services to low-income persons and households.

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, 2012 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 to restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2012 was \$218,658.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

4. NOTES RECEIVABLE, Continued

Happy Valley Infrastructure Loans - In 2009, the City entered into an agreement with a resident for reimbursement of water and sewer infrastructure costs in the Happy Valley area of the City. The amount of the note is \$33,493 and does not include interest. There are sixty (60) monthly installment payments of \$565.75 due on the note, commencing on November 1, 2009. Payments received during 2011/12FY amounted to \$6,708. The amount outstanding as of June 30, 2012 was \$15,032.

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

- Eden Housing/Ridge View Commons Associates - In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low and very low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. This loan bears interest of 5% per annum and both principal and interest are payable only to the extent that surplus cash is available. In 1999, the City loaned \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a California Limited Partnership affiliated with Eden Housing, Inc., for this same housing project. In 2009/10FY, the City loaned an additional \$225,000 to Ridgeview Commons Associates to buy out the financial interests of the limited partner (Chevron USA, Inc.) in this project. This loan, totaling \$2,475,000, bears interest of 5.5% per annum and is payable only to the extent that surplus cash is available. Due to the contingent nature of the loan repayments, the City has recorded an allowance for doubtful accounts in its Lower Income Housing Fund for both principal and interest.
- Pleasanton Homeownership Assistance Program - As part of the Pleasanton Homeownership Assistance Program (PHAP) developed by the City to provide affordable housing opportunities for households of low and moderate income, loans are provided to eligible low and moderate income homebuyers for second mortgages and down payment assistance. For the 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 2011/12FY, an additional \$20,000 was loaned to individuals and the City received loan repayments totaling \$142,064. The outstanding amount due to the City for these types of loans as of June 30, 2012 was \$971,305.
- Tri-Valley REACH, Inc. Loans - Beginning in January 1992, the City has entered into series of agreements with REACH, Inc. (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding to purchase below-market priced homes in Pleasanton for developmentally disabled adults who can live independently with supportive services. These loans do not include interest payments and no repayment of principal is due as long as REACH, Inc. owns the property and continues to use it for the intended purpose. Total REACH, Inc. loans outstanding as of June 30, 2012 were \$1,147,532. Of this amount, \$1,034,967 is funded by the HOME Grant Program, \$65,000 is funded from the City's Lower Income Housing Fund, and \$47,565 is funded by the CDBG Program.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

4. NOTES RECEIVABLE, Continued

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

Date of Loan	Loan Amount	Funding Sources
January 1992	\$ 75,000	HOME Grant (\$75,000)
January 1997	201,440	HOME Grant (\$136,440); Lower Income Housing Fund (\$65,000)
August 2006	476,092	HOME Grant (\$428,527); CDBG Grant (\$47,565)
February 2009	195,000	HOME Grant (\$195,000)
May 2010	200,000	HOME Grant (\$200,000)
Total	\$ 1,147,532	

- Case Avenue Associates - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the low income and very low income units in the project and was comprised of two components: \$636,063 funded by the City, and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest, and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City funded portion of the loan at June 30, 2012, was \$60,156. The principal amounts outstanding at June 30, 2012, for the City funded and the HOME funded portions were \$636,063 and \$130,000, respectively.
- Promenade Housing Associates - In 1996, the City loaned \$231,999 to Promenade Housing Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of affordable units in the project and was comprised of two components: \$101,999 funded by the City, and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$101,999 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City funded portion of the loan at June 30, 2012, was \$9,647. The principal amounts outstanding at June 30, 2012, for the City funded and the HOME funded portions were \$101,999 and \$130,000, respectively.
- 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, 2012, was \$121,000.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

4. NOTES RECEIVABLE, Continued

- 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. The Loan Agreement provides that for each of the first five (5) years following the Borrower's certificate of occupancy (July 22, 2006), to the extent that surplus cash is insufficient to pay the annual interest-only payment, the City shall forgive that payment. Surplus cash calculations have not been completed in accordance with the Loan Agreement during the past five years, and the City has consequently recorded an allowance for doubtful accounts in its Lower Income Housing Fund for the accrued interest of \$1,683,649. The principal amount outstanding at June 30, 2012 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. During the 2010/11FY, CalHFA informed the City of an early prepayment program which would reduce interest on the loan if paid early. The City and BLP agreed to pay off the loan, with BLP paying \$1,200,000 and the City paying the balance of the loan, which amounted to \$449,750. The prepayment in the 2010/11FY resulted in approximately \$90,000 in interest savings. Per the amended and restated promissory note, BLP owes the City \$449,750 to be repaid by December 1, 2015; however, there is no interest due on this loan. The amount outstanding at June 30, 2012 was \$449,750.
- Regional Affordable Housing Projects - The City has also allocated HOME funding via loans and grants to several regional affordable housing projects that have been deemed to provide a benefit to Pleasanton residents due to the unique populations they serve. There are three affordable housing loans outstanding which include: \$80,000 to Housing Alliance for the construction of Lorenzo Creek apartments (28 units of rental housing in Castro Valley for homeless individuals and families with disabilities); \$30,000 to the Deaf Senior Retirement Corporation for the construction of the Fremont Oak Gardens (50 units of rental housing in Fremont for very low income deaf seniors); and \$50,000 to Affordable Housing Associates for the construction of the Carmen Avenue apartments (30 units of rental housing in Livermore for families that were formerly homeless and have special needs). All three loans are deferred and the Fremont Oak Gardens and Carmen Avenue loans bear no interest. The Housing Alliance loan is subject to 3% interest, and payments are deferred for 15 years. Starting March 2021, payments are subject to available cash flow as determined by Alameda County (the lead agency in the multi-jurisdictional funding agreement). Interest outstanding on the Housing Alliance loan at June 30, 2012, was \$15,000. The principal amount outstanding for all three loans at June 30, 2012 was \$160,000.
- Housing Rehabilitation Program - The Housing Rehabilitation Program provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. These loans accrue 3% simple interest. Principal and interest is deferred for thirty years or until such time the property is sold or ceases to be the principal residence of the borrower. The majority of loans issued through the Housing Rehabilitation Program have been funded using CDBG funds, with the exception of several loans that have been funded with HOME funds.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

4. NOTES RECEIVABLE, Continued

The City currently contracts with Amerinational Community Services to service the City’s Housing Rehabilitation Program loan portfolio. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by CDBG funds as of June 30, 2012, were \$508,940 and \$132,426, respectively. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by HOME funds as of June 30, 2012, were \$110,383 and \$5,895, respectively.

5. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2012, 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. The General Fund also provided assistance to the Employee Insurance Agency Fund in 2011/12FY. The City pays health benefits when due for retirees who remain on the City’s health plans and the retirees are billed for their share of the cost. Since some reimbursements are received at a date later than when the health benefits are paid, accounts receivable are outstanding at year end. As of June 30, 2012, the General Fund provided \$1,413,045 to various non-major special revenue funds, \$56,386 to the Transit fund, and \$8,637 to the Employee Insurance Agency fund to cover the negative cash balances that arise from the outstanding accounts receivable.

		Due From Other Funds
		<u>General Fund</u>
Due to Other Funds	Non-major Governmental Funds:	
	Traffic Grants Fund	\$ 275,000
	Community Development Block Grant Fund	27,770
	HOME Program Fund	105,271
	Federal ISTEPA Program Fund	367,000
	HBPOA Maintenance District Fund	6,666
	Miscellaneous Grants Fund	631,337
	Non-major Enterprise Funds:	
	Transit Fund	56,386
	Agency Funds:	
	Employee Insurance Agency Fund	8,637
	Total	\$ 1,478,067

Long-Term Advances

On July 1, 2011, the Retirees Medical Reserve internal service fund advanced \$7,840,284 to the Employee Benefits internal service fund to internally finance the payoff of the PERS Police Retirement Group side fund loan. In 2011/12FY, \$920,463 of the advance was repaid, and the remaining \$6,919,821 will be repaid over the next seven years.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

5. INTERFUND TRANSACTIONS, Continued

B. Transfers In/Out

The majority of transfers occurred in 2011/12FY to cover debt service payments, to provide operating subsidies to the enterprise funds, and to repay water and sewer fund loans.

- The General Fund transferred \$1,330,000 to the Golf Operations Fund to subsidize the annual debt service payments for the portion of the 2003 Certificates of Participation related to Callippe Preserve Golf Course.
- The General Fund additionally transferred \$793,103 to Debt Service Funds to cover annual debt service for the 2003 Certificates of Participation (Senior Center portion) and the 2004 Refunding Lease Certificates of Participation.
- The Golf Operations Fund transferred \$1,591,888 (including the \$1,330,000 General Fund subsidy) to the Debt Service Funds to cover annual debt service for the 2003 Certificates of Participation (Callippe Preserve Golf Course portion).
- The General Fund transferred \$1,011,643 to enterprise funds to support sewer, water, storm drain, transportation and cemetery operations.
- In addition, the General Fund also transferred \$1,000,000 to the PERS Rate Stabilization Internal Service Fund.
- The Vineyard Avenue Corridor Specific Plan Fund transferred \$2,107,034 and \$1,122,175 to the Water and Sewer Enterprise Funds, respectively, to repay loans used to construct infrastructure in the Vineyard Avenue Corridor.

Transfers in/out for the year ended June 30, 2012, were as follows:

	Transfers Out				
	Major Fund				Total
	General Fund	Golf Funds	Non-Major Governmental Funds	Internal Service Funds	
Transfers In					
Major Fund:					
General Fund	\$ -	\$ -	\$ 557,813	\$ 432,467	\$ 990,280
LFPD Fund	-	-	-	21,238	21,238
Sewer Enterprise Funds*	94,257	-	1,122,175	9,889	1,226,321
Water Enterprise Funds*	226,970	-	2,107,034	23,851	2,357,855
Storm Enterprise Funds	330,000	-	-	3,804	333,804
Golf Enterprise Funds	1,330,000	-	-	-	1,330,000
Non-Major Governmental Funds	1,354,103	2,084,701	5,722,130	-	9,160,934
Non-Major Enterprise Funds	360,416	-	-	-	360,416
Internal Service Funds	1,000,000	80,000	-	264,675	1,344,675
Total	\$ 4,695,746	\$ 2,164,701	\$ 9,509,152	\$ 755,924	\$ 17,125,523

* Per Proposition 218, low income and senior discounts for sewer and water services cannot be funded by rate payers and instead must be funded by the General Fund.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Retirements	Transfers	Balance June 30, 2012
Governmental activities:					
Nondepreciable assets:					
Land	\$ 216,301,758	\$ 21,840,201	\$ -	\$ -	\$ 238,141,959
Right-of-ways	36,309,656	-	-	-	36,309,656
Public Art	-	-	-	318,893	318,893
Construction in progress	17,837,787	5,348,448	(1,233,563)	(17,940,735)	4,011,937
Total nondepreciable assets	<u>270,449,201</u>	<u>27,188,649</u>	<u>(1,233,563)</u>	<u>(17,621,842)</u>	<u>278,782,445</u>
Depreciable assets:					
Infrastructure	268,787,275	344,646	(1,331,327)	2,499,327	270,299,921
Accumulated depreciation	(145,545,692)	(7,615,735)	1,274,404	-	(151,887,023)
Buildings	61,801,465	-	(272,228)	12,401,823	73,931,060
Accumulated depreciation	(17,925,258)	(1,410,851)	7,259	-	(19,328,850)
Improvements other than buildings	54,094,792	73,273	-	1,784,424	55,952,489
Accumulated depreciation	(29,505,670)	(1,988,562)	-	-	(31,494,232)
Machinery and equipment	20,338,318	1,843,044	(2,327,316)	936,268	20,790,314
Accumulated depreciation	(14,809,999)	(1,399,182)	2,297,228	-	(13,911,953)
Vehicles	9,556,717	182,233	(342,126)	-	9,396,824
Accumulated depreciation	(8,232,900)	(376,851)	338,945	-	(8,270,806)
Net depreciable assets	<u>198,559,048</u>	<u>(10,347,985)</u>	<u>(355,161)</u>	<u>17,621,842</u>	<u>205,477,744</u>
Governmental activities capital assets, net	<u>\$ 469,008,249</u>	<u>\$ 16,840,664</u>	<u>\$ (1,588,724)</u>	<u>\$ -</u>	<u>\$ 484,260,189</u>
Business-type activities:					
Nondepreciable assets:					
Land	\$ 14,274,798	\$ 77,342	\$ -	\$ -	\$ 14,352,140
Construction in progress:	2,270,756	2,121,908	-	(52,317)	4,340,347
Total nondepreciable assets	<u>16,545,554</u>	<u>2,199,250</u>	<u>-</u>	<u>(52,317)</u>	<u>18,692,487</u>
Depreciable assets:					
Infrastructure	258,029,395	634,064	(6,643)	52,317	258,709,133
Accumulated depreciation	(124,341,275)	(6,034,951)	6,643	-	(130,369,583)
Buildings	33,826,031	3,998	-	-	33,830,029
Accumulated depreciation	(12,648,826)	(722,368)	-	-	(13,371,194)
Improvements other than buildings	31,481,268	-	-	-	31,481,268
Accumulated depreciation	(9,187,540)	(1,563,422)	-	-	(10,750,962)
Machinery and equipment	14,874,474	302,493	(600,644)	-	14,576,323
Accumulated depreciation	(4,944,776)	(691,148)	511,668	-	(5,124,256)
Vehicles	691,959	-	(71,097)	-	620,862
Accumulated depreciation	(497,271)	(57,423)	71,097	-	(483,597)
Net depreciable assets	<u>187,283,439</u>	<u>(8,128,757)</u>	<u>(88,976)</u>	<u>52,317</u>	<u>179,118,023</u>
Business-type activities capital assets, net	<u>\$ 203,828,993</u>	<u>\$ (5,929,507)</u>	<u>\$ (88,976)</u>	<u>\$ -</u>	<u>\$ 197,810,510</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

6. CAPITAL ASSETS, Continued

A. Depreciation

Depreciation expense was charged to various governmental functions as follows:

General government	\$	173,486
Public safety		1,118,278
Community development		979,669
Operations services		9,296,296
Community activities		1,130,932
Total depreciation expense - governmental functions	\$	12,698,661

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

Water	\$	3,336,578
Sewer		2,743,599
Golf		1,746,536
Transit		64,067
Storm Drain		1,083,287
Housing Authority		95,244
Total depreciation expense - business type functions	\$	9,069,311

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities:						
2003 Certificates of Participation	\$ 22,330,000	\$ -	\$ (1,030,000)	\$ 21,300,000	\$ 650,000	\$ 20,650,000
2004 Refunding Lease Certificates of Participation	1,450,000	-	(345,000)	1,105,000	355,000	750,000
State CALHFA Help Program Note Payable	342,487	-	-	342,487	-	342,487
Note payable, County of Alameda	2,340,000	-	(468,000)	1,872,000	468,000	1,404,000
Emergency Medical Equipment Capital Lease	-	102,371	(9,741)	92,630	19,804	72,826
Claims payable (Note 8)	4,998,383	1,582,996	(1,716,553)	4,864,826	1,716,553	3,148,273
Compensated absences (Note 9)	5,120,910	3,469,311	(3,474,138)	5,116,083	1,352,789	3,763,294
Total governmental activities	\$ 36,581,780	\$ 5,154,678	\$ (7,043,432)	\$ 34,693,026	\$ 4,562,146	\$ 30,130,880
Business-type Activities:						
2004 Sewer Revenue Refunding Bonds	\$ 685,000	\$ -	\$ (165,000)	\$ 520,000	\$ 165,000	\$ 355,000
Note payable, Federal Financing Bank	120,263	-	(120,263)	-	-	-
Golf Course Capital Lease	316,939	295,434	(109,865)	502,508	109,198	393,310
Total business-type activities	\$ 1,122,202	\$ 295,434	\$ (395,128)	\$ 1,022,508	\$ 274,198	\$ 748,310

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

Long-term debt at June 30, 2012, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2012
Governmental Activities:					
2003 Certificates of Participation	2032	3.625% - 4.75%	\$650-\$1,530	\$ 28,425,000	\$ 21,300,000
2004 Refunding Lease Certificates of Participation	2014	3.15% - 3.4%	\$355-\$380	4,040,000	1,105,000
State CalHFA HELP Program note payable	2015	3.00%	NA	342,487	342,487
Note payable, County of Alameda	2016	Variable*	\$468	6,500,000	1,872,000
Total governmental activities					<u>\$ 24,619,487</u>
Business-type Activities:					
2004 Sewer Revenue Refunding Bonds	2014	3.125% - 3.5%	\$165-\$180	1,760,000	\$ 520,000
Total business-type activities					<u>\$ 520,000</u>

*Interest accrues at the LAIF rate prevailing on the payment due date (0.36% as of June 30, 2012).

2003 - Certificates of Participation

On April 30, 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 the Callippe Golf Course and to refinance the City's obligations relating to certain 1991 Certificates of Participation of the City, the proceeds of which originally were used to fund the construction and acquisition of the Senior Center. The certificates bear interest at rates ranging from 3.625% 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 8, 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 Joint Powers Financing 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 interest at rates ranging from 3.15% 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
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2012:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
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	725,000	861,205	-	-
2017	755,000	831,605	-	-
2018-2022	4,280,000	3,642,537	-	-
2023-2027	5,315,000	2,573,250	-	-
2028-2032	6,670,000	1,183,891	-	-
2033	1,530,000	36,338	-	-
Total	\$ 21,300,000	\$ 11,872,191	\$ 1,105,000	\$ 55,929

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, 2012, \$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 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 were interest free. The first two installments were paid in August 2009 and August 2010, respectively. The third installment, paid in 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 a portion of the Northern Property is contingent upon the remedial cleanup action of a recognized environmental condition on the property, as discussed in Note 14. 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2012:

Alameda County Transportation Corridor
Purchase Agreement

Year Ending June 30,	Principal	Coupon	Estimated Interest*	Total Payment	Balance
2013	\$ 468,000	0.36%	\$ 11,232	\$ 479,232	\$ 1,872,000
2014	468,000	0.36%	6,739	474,739	1,404,000
2015	468,000	0.36%	5,054	473,054	936,000
2016	468,000	0.36%	3,370	471,370	468,000
2017	468,000	0.36%	1,685	469,685	-
Total	<u>\$ 1,872,000</u>		<u>\$ 16,848</u>	<u>\$ 1,888,848</u>	

*Interest accrues at the LAIF rate prevailing on the payment due date. The June 30, 2012 LAIF rate was used for purposes of this schedule.

Emergency Medical Equipment Capital Lease

On November 8, 2011, the City entered into a lease purchase agreement with Bank of America for emergency medical equipment. The cost of the leased equipment is \$102,371. Accumulated depreciation of the leased equipment was \$4,692 as of June 30, 2012. The City will make quarterly payments of \$5,418 over a lease period of 60 months, including interest payments at a rate of 2.194%. At the end of the term, the equipment becomes the property of the City. After the first 30 months of the lease, the City will have the option to pre-pay the lease on any payment date for a premium of 1% on the then-outstanding balance. The City and the City of Livermore, through the Livermore-Pleasanton Fire Department, are expected to share the cost of the equipment lease payments, but the General Fund has provided the pledge for repayment.

The following schedule presents future minimum lease payments for emergency medical equipment capital lease as of June 30, 2012:

	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Minimum Lease Payments	\$ 21,674	\$ 21,674	\$ 21,674	\$ 21,674	\$ 10,836	\$ 97,532
Less: Interest						(4,902)
Present Value of Minimum Lease Payment						<u>\$ 92,630</u>

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 original bond proceeds were used to fund the acquisition and construction of improvements to the City's sewer collection system. The bonds bear interest at rates ranging from 3.125% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the sewer enterprise.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

2004 Sewer Revenue Refunding Bonds, Continued

The Indenture for the 2004 Sewer Revenue Refunding Bonds requires 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, 2012, the ratio of Net Sewer Revenues to the debt service payments due during 2011/12FY was 9.91:1.

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2012:

Year Ending June 30,	2004 Sewer Revenue Bonds	
	Principal	Interest
2013	\$ 165,000	\$ 14,784
2014	175,000	9,253
2015	180,000	3,150
Total	<u>\$ 520,000</u>	<u>\$ 27,187</u>

Note Payable, Federal Financing Bank

The Housing Authority issued a note payable to the Federal Financing Bank to finance Kottinger Place, a housing project. The mortgage was repaid from grants from the U.S. Department of Housing and Urban Development in 2009; consequently, the payable balance was removed from the City's accounting records in the 2011/12FY.

Golf Course Capital Leases

On January 24, 2011, the City entered into a lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment is \$350,144. Accumulated depreciation of the leased equipment was \$32,904 as of June 30, 2012. The City will make quarterly payments of \$37,205 over a lease period of 60 months, including interest payments at a rate of 2.34%. At the end of the term, the equipment becomes the property of the City.

On September 30, 2011, the City entered into an additional lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment is \$295,434. Accumulated depreciation of the leased equipment was \$15,470 as of June 30, 2012. The City will make quarterly payments of \$15,637 over a lease period of 60 months, including interest payments at a rate of 2.194%. At the end of the term, the equipment becomes the property of the City. After the first 30 months of each of the golf course equipment leases, the City will have the option to pre-pay the lease on any payment date for a premium of 1% on the then-outstanding balance. Revenues of the golf course are expected to pay for the equipment lease payments, but the General Fund has provided the pledge for repayment.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

Golf Course Capital Leases, Continued

The following schedules present future minimum lease payments for equipment at Callippe Golf Course as of June 30, 2012:

Lease Date: January 24, 2011	2012/13	2013/14	2014/15	2015/16	Total
Minimum Lease Payments	\$ 55,807	\$ 74,410	\$ 74,410	\$ 55,807	\$ 260,434
Less: Interest					(11,080)
Present Value of Minimum Lease Payments					<u>\$ 249,354</u>

Lease Date: September 30, 2011	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Minimum Lease Payments	\$ 62,549	\$ 62,549	\$ 62,549	\$ 62,549	\$ 15,637	\$ 265,833
Less: Interest						(12,679)
Present Value of Minimum Lease Payments						<u>\$ 253,154</u>

Operating Leases

The City has ongoing commitments under operating lease agreements for office equipment necessary for City operations, which expire at various dates through 2017. Each governmental fund includes the expenditures related to such lease agreements. There are both cancelable and non-cancelable lease agreements. Rental expenditures reported in the General Fund and the Nonmajor Governmental Funds under these operating lease agreements for the fiscal year ended June 30, 2012, amounted to approximately \$108,000 and \$5,742, respectively.

The future minimum lease payments anticipated under the existing lease commitments in governmental activities, as of June 30, 2012, are as follows:

	2012/13	2013/14	2014/15	2015/16	2016/17	Total
General Fund	\$ 84,421	\$ 27,796	\$ 27,188	\$ 8,673	\$ 4,989	\$ 153,067
Nonmajor Governmental Funds	5,742	5,742	5,742	5,742	205	23,173
Total Governmental Activities	<u>\$ 90,163</u>	<u>\$ 33,538</u>	<u>\$ 32,930</u>	<u>\$ 14,415</u>	<u>\$ 5,194</u>	<u>\$ 176,240</u>

The City has ongoing commitments under operating lease agreements for golf carts, the GPS system, and office equipment at Callippe Preserve Golf Course, which expire at various dates through 2016. Rental expenses reported in the Golf Fund under these operating lease agreements for the fiscal year ended June 30, 2012, amounted to \$142,995.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2012, are as follows:

	2012/13	2013/14	2014/15	2015/16	Total
Golf Fund	\$ 91,042	\$ 26,667	\$ 1,843	\$ 1,382	\$ 120,934
Total Business-type Activities	<u>\$ 91,042</u>	<u>\$ 26,667</u>	<u>\$ 1,843</u>	<u>\$ 1,382</u>	<u>\$ 120,934</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

2004 Water revenue Refunding Bonds

In May 2011, the City defeased its Series 2001 Water Revenue Refunding Bonds by funding an irrevocable trust to provide for the principal and interest payments on the bonds through the final maturity date of September 1, 2014. The trust account assets, held by U.S. Bank as escrow agent, and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2012, \$510,000 of principal remained outstanding. The schedule of debt service payments on the defeased bonds by fiscal year is presented in the table below:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 165,000	\$ 14,441	\$ 179,441
2014	170,000	8,994	178,994
2015	175,000	3,062	178,062
Total	<u>\$ 510,000</u>	<u>\$ 26,497</u>	<u>\$ 536,497</u>

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 Bernal Apartments Project (original bond issue date 2001 in the amount of \$18,925,000; final maturity on September 15, 2034) and the Busch Senior Housing Apartments (original bond issue date 2003 in the amount of \$13,360,000; final maturity on June 15, 2037). 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 a liability in the accompanying basic financial statements.

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

The aggregate amount of all conduit debt outstanding as of June 30, 2012, was \$45,204,837.

Legal Debt Limit

As of June 30, 2012, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$ 634,596,869.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM LIABILITIES, Continued

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations 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, 2012.

As of June 30, 2012, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

8. RISK MANAGEMENT

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

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

Coverage	Self Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 250,000	\$ 29,000,000	BCJPIA/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	BCJPIA/PEPIP/Lexington Insurance Co.
Auto Physical Damage	1,000	Up to Replacement Cost	BCJPIA/PEPIP

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

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and its Worker's 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 Worker's 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 \$2,213,296 and \$5,476,442 at June 30, 2012 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$3,997,114 and

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

8. RISK MANAGEMENT, Continued

\$867,712 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, are reported in the funds as claims payable at June 30, 2012. 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 (IBNR). 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,	
	2011	2012
Unpaid claims, beginning of year	\$ 4,771,458	\$ 4,998,383
Incurred claims and changes in estimates	1,572,252	1,582,996
Claim payments	(1,345,327)	(1,716,553)
Unpaid claims, end of year	<u>\$ 4,998,383</u>	<u>\$ 4,864,826</u>

9. COMPENSATED ABSENCES

The City records both an asset funded by the operating funds and a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves. As of June 30, 2012, the total of vacation and other compensated leaves is \$5,116,083.

10. 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, Brisbane, Emeryville, Larkspur, Menlo Park, Mill Valley, Monte Sereno, Novato, Piedmont, Pleasanton, Redwood City, Sausalito and Union City, the towns of Fairfax, San Anselmo and Tiburon and the Twin Cities Police Authority. 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 claims incurred but not yet reported (IBNR). Accordingly, it is difficult to ascertain what the City’s proportionate share is at any given time.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

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

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	\$ 23,351,254
Total Liabilities	14,718,195
Total Equity	<u>\$ 8,633,059</u>
Total Revenue	<u>\$ 9,602,251</u>
Total Expenses	10,411,102
Revenue over Expenses	<u>\$ (808,851)</u>

Pleasanton Joint Powers Financing Authority

In June 1993, the Pleasanton Joint Powers Financing Authority (PJPPFA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPPFA was the issuing agency for the Series 2004A and 2004B Reassessment Revenue Bonds (final maturity September 2, 2011). The PJPPFA also facilitated lease financings (through the issuance of Certificates of Participation) for many of the City’s public buildings. The PJPPFA is a blended component unit of the City and the financial operations of the PJPPFA are included in the City of Pleasanton’s financial statements.

Local Agency Workers’ Compensation Excess Joint Powers Authority

In 2010, the City joined the Local Agency Workers’ Compensation Excess Joint Powers Authority (LAWCX). The LAWCX was formed on July 1, 1992 as a state-wide joint powers authority to self-insure and pool excess workers’ compensation losses. The LAWCX was established for California self-insured workers’ compensation joint powers authorities, individual agencies and special districts. The LAWCX is governed by a Board of Directors with a representative from each member entity. Prior to 2010, the City had excess workers’ compensation coverage through its membership in the Bay Cities Joint Powers Insurance Authority (BCJPIA), who in turn provided the coverage through their membership with LAWCX. The City found that there would be a substantial cost savings if the City participated directly as a member in LAWCX rather than to continue to participate in LAWCX through the BCJPIA. Financial statements for LAWCX may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

Livermore-Amador Valley Waste Management Agency

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates 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, the City of Livermore, and the City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

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

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings (loss) in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund net Assets as "Equity Interest in Loss from Joint Ventures," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Fund Net Assets as "Net Investment in Joint Ventures." The City's equity interest in LAVWMA was \$9,845,130 as of June 30, 2012. Financial statements for LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Total Assets	\$ 154,010,915
Total Liabilities	124,360,692
Total Equity	<u>\$ 29,650,223 *</u>
Total Revenue	<u>\$ 9,490,777</u>
Total Expenses	12,194,718
Revenue over Expenses	<u><u>\$ (2,703,941)</u></u>

* City's equity interest was \$9,845,130 as of June 30, 2012.

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 94551.

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, 2226 Camino Ramon, San Ramon, CA 94583.

Livermore-Pleasanton Fire Department

On December 3, 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPFD), covering both cities. LPFD may not own or enter into a contract without the approval of the governing board. The LPFD budget includes the contributions required from each City to fund operating and capital needs for the year. For the fiscal year ending June 30, 2012, the City of Pleasanton's contribution was \$14,028,636 and the City of Livermore's was \$13,191,457. The City of Pleasanton's share of revenues and expenditures is reported in the General Fund. 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
For the year ended June 30, 2012

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

East Bay Regional Communications System Authority

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 40 member agencies consisting of 2 counties, 30 cities, 6 special districts, the University of California Berkeley, and the California Department of Transportation, serving a population of over 2.5 million people. The Authority is governed by a 23-member 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 (Alameda CTC) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the County of Alameda, AC Transit and BART. Financial statements for the Alameda CTC may be obtained from Alameda CTC, 1333 Broadway, Suites 220 & 300, Oakland, CA 94612.

11. 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 represents net assets subject to 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, governmental funds report five classifications of fund balance as follows:

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

11. NET ASSETS / FUND BALANCES, Continued

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

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

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

Unassigned – portion of General Fund that is not classified as nonspendable, restricted, committed, or assigned.

As of June 30, 2012, fund balances are composed of the following:

	General Fund	Lower Income Housing Fund	Other Funds	Total
Nonspendable				
Notes Receivable	\$ 218,658	\$ -	\$ -	\$ 218,658
Restricted				
Assessment District Construction	-	-	1,980,403	1,980,403
Asset Forfeiture	-	-	114,858	114,858
Budgeted Developer Projects	-	-	8,287,092	8,287,092
Capital Improvements	-	-	2,730,081	2,730,081
Capital Improvements	-	-	158,198	158,198
Debt Service Reserves	-	-	394,964	394,964
Donations	-	-	277,373	277,373
Downtown & North Pleasanton	-	-	4,482,870	4,482,870
Downtown Parking Project	-	-	19,189	19,189
Geological Hazard Assessment District	-	-	807,704	807,704
Grants	-	-	305,041	305,041
Housing	-	15,007,406	-	15,007,406
Landscape and Lighting District	-	-	336,653	336,653
Landscape Maintenance NPID	-	-	1,171,590	1,171,590
Marilyn Kane Trail Reserve	-	-	104,483	104,483
Neighborhood Park Development	-	-	3,812,695	3,812,695
Other Purposes	-	-	10,000	10,000
Public Safety	-	-	268,756	268,756
Resource Management	-	-	597,702	597,702
Street Maintenance	-	-	6,456,117	6,456,117
Traffic Impact	-	-	3,252,709	3,252,709
Traffic Impact - Bernal	-	-	580,547	580,547
Tri-Valley Transportation	-	-	682,859	682,859
Various Specific Plan	-	-	2,105,738	2,105,738
Committed				
Economic Uncertainty	8,981,711	-	-	8,981,711
Temporary Recession	11,048,000	-	-	11,048,000
Assigned				
Golf Course Debt Service	2,000,000	-	-	2,000,000
Capital Projects	-	-	22,157,808	22,157,808
Other Purposes	-	-	16,401	16,401
Unassigned	3,083,456	-	-	3,083,456
Total Fund Balances	<u>\$ 25,331,825</u>	<u>\$ 15,007,406</u>	<u>\$ 61,111,831</u>	<u>\$ 101,451,062</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

12. 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. In 2011/12FY, the City paid a portion of the required member contributions on behalf of City employees, amounting to \$3,129,744 for the year ended June 30, 2012. The City's employer required contribution rate for Safety Fire employees was 31.880% and for Miscellaneous employees was 21.087% for the fiscal year. On July 1, 2011, the City paid \$7,840,284 to PERS to extinguish the side fund loan established at the time the Safety Police group joined the PERS risk-sharing pool. As a result, the required contribution rate for Safety Police employees was reduced from 33.353% to 24.112%.

Annual Pension Cost - For the 2011/12FY, the City's annual pension cost of \$11,763,929 for PERS was equal to the City's annual required contribution (ARC) and actual contributions. The actuarial methods and significant assumptions used in the June 30, 2009, actuarial valuation to determine the 2011/12FY ARC, as well as the most current valuation, are summarized in the following table.

	Actuarial Valuation Date	
	6/30/2009	6/30/2011
Actuarial Cost Method	Entry age normal	
Amortization Method	Level percent of payroll	
Asset Valuation Method	15-year smoothing	
Investment Return	7.75%	7.50%
Payroll Growth	3.25%	3.00%
Inflation Rate	3.00%	2.75%
Projected Salary Increases*		
Fire	3.55%-13.15%	3.30%-14.20%
Police	3.55%-14.45%	3.30%-14.20%
Miscellaneous	3.55%-14.45%	3.30%-14.20%
Average Remaining UAAL Amortization Period		
Fire	N/A	32 years
Police	N/A	19 years
Miscellaneous	N/A	29 years
Postretirement Benefit Increases	2.00%	2.00%

*Projected increase depends on age, service, and type of employment.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2012

12. DEFINED BENEFIT PENSION PLAN, Continued

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

Unfunded liabilities due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a fixed and declining 20-year period. All gains or losses are tracked and amortized over a rolling 30-year period with the exception of special gains and losses in fiscal years 2008/09, 2009/10 and 2010/11. Each of these years' gains or losses will be isolated and amortized over fixed and declining 30 year periods. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The following tables show 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. The 2009/10FY and 2010/11FY annual pension cost amounts have been revised to reflect the PERS fiscal year based on pay period ending dates rather than the City's fiscal year. The schedule of funding progress shown in the Required Supplementary Information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

THREE-YEAR TREND INFORMATION FOR PERS

Miscellaneous Plan			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 4,596,070	100%	\$ -
6/30/2011	4,489,122	100%	-
6/30/2012	5,081,003	100%	-

Safety Police Plan			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 2,800,920	100%	\$ -
6/30/2011	2,918,548	100%	-
6/30/2012	2,415,576	100%	-

Safety Fire Plan⁽¹⁾			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 3,617,135	100%	\$ -
6/30/2011	3,730,787	100%	-
6/30/2012	4,267,350	100%	-

⁽¹⁾ Includes City of Livermore's portion of costs, which is approximately 50%.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

12. DEFINED BENEFIT PENSION PLAN, Continued

B. Funded Status

The schedule of funding progress, presented as Required Supplementary Information following the Notes to Basic Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

13. POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

Through its post employment health care plan, the City provides post retirement health care benefits, in accordance with certain employee agreements, to all employees who retire directly from the City with a minimum of 5 years of service. The plan benefit provisions and obligations to contribute are established, or may be amended, by City Council action. The effective date and benefit varies based upon the employee's classification and related memorandum of understanding (MOU).

- If retiring from 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/AFSCME Local 955 (Pleasanton City Employees' Association) who retired before 7/1/12; POA (Police Officers' Association) who retired prior to 7/1/09; IAFF (International Association of Firefighters) who retired prior to 1/1/08; and Management and Confidential who retired prior to 7/1/09. For purposes of calculating service credit, Management and Confidential employees who were hired prior to 1/1/09 and retire with at least five years of City service may include years of non-City municipal CalPERS service, as agreed to in its Management/Confidential Employee Performance Compensation Plan.
- For employees classified as PCEA/AFSCME Local 955 who were hired prior to 6/1/11 and retire after 7/1/12, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO 2-party rate. If hired after 6/1/11, the City shall pay for each year of service four percent (4%) of the lowest cost HMO single rate.
- For POA 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 if employment is less than 20 years. If employed for more than 20 years, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 1/1/12, 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

13. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description, Continued

- 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. If hired on or after 7/1/12, 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.
- 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. For purposes of calculating service credit, Management and Confidential employees who were hired prior to 1/1/09 and retire with at least five years of City service may include years of non-City municipal CalPERS service. 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. The premium rate paid by a retiree depends on the retiree's former classification, years of service, and the formula specified in the applicable MOU.

As of June 30, 2011 (the most recent valuation date), plan membership consisted of 487 active participants, consisting of 371 Non-Fire (Miscellaneous and Police) and 116 Fire active participants, and 266 retirees, consisting of 210 Non-Fire and 56 Fire retirees.

B. Funding Policy

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

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

13. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

B. Funding Policy, Continued

In 2011/12FY, the City contributed \$8,417,184 (\$6,043,037 for Non-Fire and \$2,374,147 for Fire), including \$5,029,826 (\$3,573,641 for Non-Fire and \$1,456,185 for Fire) deposited to the OPEB Trust; \$2,740,675 (\$1,987,040 for Non-Fire and \$753,635 for Fire) for pay-as-you-go current cash benefit payments to retirees; \$19,683 (\$12,356 for Non-Fire and \$7,327 for Fire) for legal and actuarial services; and \$627,000 (\$470,000 for Non-Fire and \$157,000 for Fire) in implied subsidy benefit payments. The following table summarizes the City's 2011/12FY contribution:

	Non-Fire	Fire ⁽¹⁾	Total
Contributions to OPEB Trust	\$ 3,573,641	\$ 1,456,185	\$ 5,029,826
Benefit to retirees	1,987,040	753,635	2,740,675
Legal and actuarial services	12,356	7,327	19,683
Implied subsidy	470,000	157,000	627,000
Total	\$ 6,043,037	\$ 2,374,147	\$ 8,417,184

⁽¹⁾ Includes City of Livermore's portion of costs, which is approximately 50%.

The City's ARC was \$8,417,184 (\$6,043,037 for Non-Fire and \$2,374,147 for Fire) for the 2011/12FY (See Note 12. C. below).

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, 2010, shows the components of the City's annual OPEB cost for the 2011/12FY, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	Non-Fire	Fire ⁽¹⁾	Total
Annual required contribution	\$ 6,038,000	\$ 2,374,000	\$ 8,412,000
Adjustment to annual required contribution ⁽²⁾	5,037	147	5,184
Annual OPEB cost (expense)	6,043,037	2,374,147	8,417,184
Contributions to OPEB trust	(3,573,641)	(1,456,185)	(5,029,826)
Benefit payments to retirees	(1,987,040)	(753,635)	(2,740,675)
Legal and actuarial services	(12,356)	(7,327)	(19,683)
Implied subsidy	(470,000)	(157,000)	(627,000)
Increase in net OPEB obligation	-	-	-
Net OPEB obligation - beginning of year	-	-	-
Net OPEB obligation - end of year	\$ -	\$ -	\$ -

⁽¹⁾ Includes City of Livermore's portion of costs, which is approximately 50%.

⁽²⁾ Adjustment reflects: (a) payments made to EBS, Inc. to administer reimbursement payments to retirees (\$602) and medical reimbursements to retirees (\$4,394); and (b) payment made to Bank of New York for trustee services (\$188).

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

13. 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 2009/10 through 2011/12 are as follows:

Non-Fire			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 4,654,614	100%	\$ -
June 30, 2011	4,753,390	100%	-
June 30, 2012	6,043,037	100%	-

Fire⁽¹⁾			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 2,201,244	100%	\$ -
June 30, 2011	2,271,073	100%	-
June 30, 2012	2,374,147	100%	-

⁽¹⁾ Includes City of Livermore's portion of costs, which is approximately 50%.

Funded Status and Funding Progress. The June 30, 2010 actuarial valuation was used to develop the 2011/12FY ARC. The most recent, June 30, 2011, actuarial valuation will be used to develop the 2012/13FY ARC. The funded status of the plan as of June 30, 2011 was:

	Non-Fire	Fire⁽¹⁾	Total
Actuarial accrued liability (AAL)	\$ 74,712,000	\$ 30,857,000	\$ 105,569,000
Actuarial value of plan assets	10,109,000	4,708,000	14,817,000
Unfunded actuarial accrued liability (UAAL)	\$ 64,603,000	\$ 26,149,000	\$ 90,752,000
Funded ratio (actuarial value of plan assets/AAL)	13.5%	15.3%	14.0%
Projected covered payroll (active Plan members)	\$ 38,985,000	\$ 16,582,000	\$ 55,567,000
UAAL as a percentage of covered payroll	165.7%	157.7%	163.3%

⁽¹⁾ Includes City of Livermore's portion, which is approximately 50%.

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, 2012

13. 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, 2010 actuarial valuation that was used to develop the 2011/12FY ARC, the entry age normal actuarial cost method was used. The actuarial assumptions included: (a) discount rate of 7.75%, prefunded with CERBT; (b) 3.25% annual aggregate payroll increase rate; and (c) projected healthcare cost increases of 9.5% for HMO and PPO plans for 2012 decreasing to 5.0% for HMO and PPO plans after 8 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. For purposes of determining the actuarial value of assets, investment gains and losses are spread over a five-year rolling period, but valuation assets cannot be outside the range of 80% to 120% of the market value of assets. As of June 30, 2010, the actuarial value of assets was \$7,192,000 for Non-Fire and \$2,970,000 for Fire.

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 reflects the amounts that are being accumulated for the purpose of paying retiree medical benefits.

Retiree Medical Reserves

	Retirees Insurance Reserve	LPFD Reserve(1)	Total
June 30, 2011 Fund Balance	\$ 30,801,177	\$ 8,829,841	\$ 39,631,018
2011/12FY Contributions from operating funds	6,038,000	700,000	6,738,000
2011/12FY Interest Income	150,988	62,258	213,246
2011/12FY Miscellaneous Revenue	(12,724)	(176)	(12,900)
2011/12FY Contributions to OPEB Trust	(3,573,641)	(1,456,185)	(5,029,826)
Benefit payments to retirees(2)	(1,987,040)	(753,635)	(2,740,675)
Legal and actuarial services	(12,355)	(7,327)	(19,682)
June 30, 2012 Fund Balance	<u>\$ 31,404,405</u>	<u>\$ 7,374,776</u>	<u>\$ 38,779,181</u>

(1) Includes City of Livermore's portion, which is approximately 50%.

(2) Does not include an implicit rate subsidy of \$627,000.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

14. 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 2011/12FY debt service and operating costs for the facility was \$246,900.

B. *Lawsuits in the Normal Course of Business*

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

C. *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) for a period extending to June 30, 2013. The draws on the revolving line of credit (advances) are to be used to pay the annual lease payments on the District's outstanding 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 the PUSD. As of June 30, 2012, the PUSD had not yet drawn down on the line of credit.

D. *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 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 a portion of the 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.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2012

14. COMMITMENTS AND CONTINGENCIES, Continued

E. 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 (2001 Bonds) on March 1, 2001 to finance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project. The 2001 Bonds were refunded in October 2011 in order to take advantage of lower interest rates. The Sewer Revenue Bonds are secured by the pledge of the net revenues of the Agency.

F. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2012. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amount
Annual Resurfacing of Various City Streets	\$ 2,627,777
Bernal Community Park Design - Phase II	628,045
Sanitary Sewer Lift Station S-6 Replacement	509,538
Stoneridge Drive / Santa Rita Road Intersection Improvements	121,207
Total	<u>\$ 3,886,567</u>

15. SUBSEQUENT EVENTS

A. Lump Sum PERS Contribution to Reduce the City's Unfunded Accrued Actuarial Liability

On October 15, 2012, the City made a lump sum contribution of \$1,000,000 to reduce the unfunded liability associated with the Miscellaneous plan. This contribution was applied by PERS to reduce the unfunded liability as of June 30, 2010, and had the effect of reducing the 2012/13FY Miscellaneous employer contribution rate from 22.118% to 21.899%.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2012

1. BUDGETARY BASIS OF ACCOUNTING

Budgetary Information

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

1. Prior to July 1, 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.

Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2012:

General Fund - The City's legal level of budgetary control is at the fund level. However, departmental expenditures are appropriated by major expenditure category.

For the year ended June 30, 2012, expenditures exceeded appropriations in the General Fund in the community activities functional category by \$105,082 and in the capital outlay expenditure category by \$37,706. The over-expenditures in the community activities functional category were primarily in the community services department for materials and supplies and in the library services department for personnel costs. The over-expenditures in the capital outlay category are the result of certain items, included in the budget as operating expenditures, being classified as capital outlay for financial reporting purposes.

LFPD Fund - For the year ended June 30, 2012, expenditures exceeded appropriations in the Livermore-Pleasanton Fire Department (Livermore Share Only) Fund in the public safety functional category by \$331,290 and in the capital outlay expenditure category by \$20,609. This apparent over-expenditure resulted from allocating proportionally less of the total department budget and more of the total department expenditures to the City of Livermore. In total, with the shares of both cities combined, expenditures in both the public safety functional category and the capital outlay category fell below the budgeted appropriations.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2012

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 73,130,635	\$ 75,181,704	\$ 74,342,216	\$ (839,488)
Licenses	11,936	11,936	11,180	(756)
Permits	1,289,642	1,580,582	1,775,254	194,672
Fines and forfeitures	488,591	553,689	512,713	(40,976)
Use of money and property	362,402	262,402	309,147	46,745
Intergovernmental	782,500	523,000	568,713	45,713
Franchises	2,028,002	2,043,730	2,012,970	(30,760)
Charges for services	1,100,970	1,143,135	1,031,572	(111,563)
Development fees	112,746	368,427	422,479	54,052
Plan check fees	795,406	1,396,788	1,616,141	219,353
Reimbursements	862,586	886,733	1,060,323	173,590
Contribution and donations	8,800	23,100	19,895	(3,205)
Other revenues	3,137,926	2,584,679	2,581,239	(3,440)
Recreation charges	3,222,323	3,390,767	3,504,924	114,157
Total revenues	<u>87,334,465</u>	<u>89,950,672</u>	<u>89,768,766</u>	<u>(181,906)</u>
EXPENDITURES:				
Current:				
General government	11,631,547	12,416,912	11,671,393	745,519
Public safety	37,828,883	38,483,508	38,411,111	72,397
Community development	10,790,389	11,935,049	11,776,550	158,499
Operations service	13,789,495	14,157,453	13,659,715	497,738
Community activities	10,006,952	9,918,746	10,023,828	(105,082)
Capital outlay	421,532	526,470	564,176	(37,706)
Debt service:				
Principal	7,422	7,422	4,870	2,552
Total expenditures	<u>84,476,220</u>	<u>87,445,560</u>	<u>86,111,643</u>	<u>1,333,917</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,858,245</u>	<u>2,505,112</u>	<u>3,657,123</u>	<u>1,152,011</u>
OTHER FINANCING SOURCES (USES):				
Capital lease	-	51,856	51,186	(670)
Transfers in	37,274	990,280	990,280	-
Transfers out	(2,895,519)	(4,716,519)	(4,695,746)	20,773
Total other financing sources	<u>(2,858,245)</u>	<u>(3,674,383)</u>	<u>(3,654,280)</u>	<u>20,103</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,169,271)</u>	2,843	<u>\$ 1,172,114</u>
FUND BALANCES:				
Beginning of year			25,328,982	
End of year			<u>\$ 25,331,825</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2012

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – Lower Income Housing Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 396,600	\$ 352,600	\$ 342,266	\$ (10,334)
Development fees	1,222,382	1,222,382	349,844	(872,538)
Reimbursements	160,000	160,000	188,820	28,820
Other	-	-	267,477	267,477
Total revenues	<u>1,778,982</u>	<u>1,734,982</u>	<u>1,148,407</u>	<u>(586,575)</u>
EXPENDITURES:				
Current:				
Community development	373,816	576,449	508,029	68,420
Capital outlay	-	-	-	-
Total expenditures	<u>373,816</u>	<u>576,449</u>	<u>508,029</u>	<u>68,420</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,405,166</u>	<u>1,158,533</u>	<u>640,378</u>	<u>(518,155)</u>
Net change in fund balances	<u>\$ 1,405,166</u>	<u>\$ 1,158,533</u>	<u>640,378</u>	<u>\$ (518,155)</u>
FUND BALANCES:				
Beginning of year			<u>14,367,028</u>	
End of year			<u>\$ 15,007,406</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2012

1. BUDGETARY BASIS OF ACCOUNTING, Continued

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 8,466	\$ 4,838	\$ -	\$ (4,838)
Intergovernmental	-	-	47,298	47,298
Charges for services	13,358,776	13,508,428	13,563,437	55,009
Reimbursements	2,352	2,419	10,213	7,794
Contribution and donations	941	968	-	(968)
Other revenues	-	-	7,052	7,052
Total revenues	<u>13,370,535</u>	<u>13,516,653</u>	<u>13,628,000</u>	<u>111,347</u>
EXPENDITURES:				
Current:				
Public Safety	13,151,716	13,274,730	13,606,020	(331,290)
Capital outlay	8,866	68,924	89,533	(20,609)
Debt service:				
Principal	7,421	7,421	4,871	2,550
Total expenditures	<u>13,168,003</u>	<u>13,351,075</u>	<u>13,700,424</u>	<u>(349,349)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>202,532</u>	<u>165,578</u>	<u>(72,424)</u>	<u>(238,002)</u>
OTHER FINANCING SOURCES (USES):				
Other financing sources (uses)	-	51,856	51,186	(670)
Transfers in	-	21,238	21,238	-
Total other financing sources	<u>-</u>	<u>73,094</u>	<u>72,424</u>	<u>(670)</u>
Net change in fund balances	<u>\$ 202,532</u>	<u>\$ 238,672</u>	<u>-</u>	<u>\$ (238,672)</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2012

2. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS

Schedule of Funding Progress
Pension Benefits

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
6/30/2009	\$ 109,438,771	\$ 142,893,893	\$ 33,455,122	76.6%	\$ 13,863,781	241.3%
6/30/2010	114,736,220	151,602,344	36,866,124	75.7%	13,510,782	272.9%
6/30/2011	120,731,102	160,306,074	39,574,972	75.3%	12,791,811	309.4%

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
6/30/2009	\$ 117,974,146	\$ 164,715,543	\$ 46,741,397	71.6%	\$ 27,229,117	171.7%
6/30/2010	126,057,749	176,913,928	50,856,179	71.3%	26,888,060	189.1%
6/30/2011	134,729,657	191,897,126	57,167,469	70.2%	24,897,180	229.6%

A factor which may significantly affect the identification of trends in the Fire Safety and Miscellaneous amounts reported above is the downward adjustment of the inflation assumption from the previous level of 3.00% to 2.75% in the June 30, 2011, valuation.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2012

2. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS, Continued

Schedule of Funding Progress
Other Postemployment Benefits

Non-Fire

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 54,965,000	\$ 54,965,000	0.0%	\$ 34,751,000	158.2%
6/30/2010	7,192,000	65,860,000	58,668,000	10.9%	37,759,000	155.4%
6/30/2011	10,109,000	74,712,000	64,603,000	13.5%	38,985,000	165.7%

Fire

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 23,887,000	\$ 23,887,000	0.0%	\$ 14,506,000	164.7%
6/30/2010	2,970,000	27,193,000	24,223,000	10.9%	16,059,000	150.8%
6/30/2011	4,708,000	30,857,000	26,149,000	15.3%	16,582,000	0.0%

⁽¹⁾ The actuarial valuations have been performed biennially. The 6/30/11 results were based on an actuarial roll-forward of the 6/30/10 valuation results.

SUPPLEMENTARY INFORMATION

**City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 11,444,037	\$ -	\$ 48,450,774	\$ 59,894,811
Receivables:				
Accounts	1,242,739	-	93,891	1,336,630
Grants	838,145	-	-	838,145
Interest	184,679	-	121,189	305,868
Deposits	-	-	1,002,371	1,002,371
Restricted cash and investments	-	394,964	-	394,964
Notes receivable	1,981,887	-	-	1,981,887
Total assets	\$ 15,691,487	\$ 394,964	\$ 49,668,225	\$ 65,754,676
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 522,156	\$ -	\$ 439,904	\$ 962,060
Due to other funds	1,413,045	-	-	1,413,045
Deposits	-	-	89,667	89,667
Deferred revenue	2,178,073	-	-	2,178,073
Total liabilities	4,113,274	-	529,571	4,642,845
Fund Balances:				
Restricted	11,561,812	394,964	26,980,846	38,937,622
Assigned	16,401	-	22,157,808	22,174,209
Total fund balances	11,578,213	394,964	49,138,654	61,111,831
Total liabilities and fund balances	\$ 15,691,487	\$ 394,964	\$ 49,668,225	\$ 65,754,676

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Special assessments	\$ 198,710	\$ -	\$ -	\$ 198,710
Fines and forfeitures	1,900	-	-	1,900
Use of money and property	93,306	21	424,695	518,022
Intergovernmental	4,779,599	-	3,139	4,782,738
Charges for service	29,989	-	-	29,989
Development fees	1,302,276	-	1,747,865	3,050,141
Reimbursements	94,226	-	171,448	265,674
Contributions and donations	146,416	-	4,175,026	4,321,442
Other revenues	452,958	-	17,786	470,744
Total revenues	7,099,380	21	6,539,959	13,639,360
EXPENDITURES:				
Current:				
Public safety	111,269	-	-	111,269
Community development	374,299	-	-	374,299
Operations services	386,044	-	63,485	449,529
Community activities	237,734	-	289,893	527,627
Capital outlay	4,742,528	-	4,727,297	9,469,825
Debt service:				
Principal	-	1,375,000	468,000	1,843,000
Interest and fiscal charges	-	1,009,993	-	1,009,993
Total expenditures	5,851,874	2,384,993	5,548,675	13,785,542
REVENUES OVER (UNDER) EXPENDITURES	1,247,506	(2,384,972)	991,284	(146,182)
OTHER FINANCING SOURCES (USES):				
Transfers in	4,825,079	2,384,991	1,950,864	9,160,934
Transfers out	(3,891,148)	-	(5,618,004)	(9,509,152)
Total other financing sources (uses)	933,931	2,384,991	(3,667,140)	(348,218)
Net change in fund balances	2,181,437	19	(2,675,856)	(494,400)
FUND BALANCES:				
Beginning of year	9,396,776	394,945	51,814,510	61,606,231
End of year	<u>\$ 11,578,213</u>	<u>\$ 394,964</u>	<u>\$ 49,138,654</u>	<u>\$ 61,111,831</u>

This page intentionally left blank.

NON-MAJOR SPECIAL REVENUE FUNDS

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

D.A.R.E Trust

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

Asset Forfeiture

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

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

Geologic Hazard Assessment Districts (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 Transportation Improvements

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

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.

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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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 ISTE A Program

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

Community Access Television

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

Marilyn Murphy Kane Trail Reserve

This fund accounts for the unspent portion of a donation received for the construction of the Marilyn Murphy Kane Trail. The remaining funds will be spent on a Parks project that has yet to be determined.

Specific Plan Funds

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

Vehicle Registration Fees

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

This page intentionally left blank.

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2012**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
ASSETS						
Cash and investments	\$ 23,545	\$ 114,822	\$ 19,189	\$ 542,671	\$ 132,516	\$ 361,927
Receivables:						
Accounts	-	-	-	52,836	-	861
Grants	-	-	-	-	-	-
Interest	60	36	-	2,195	279	933
Notes receivable	-	-	105,000	-	-	-
Total assets	\$ 23,605	\$ 114,858	\$ 124,189	\$ 597,702	\$ 132,795	\$ 363,721
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 23,083	\$ 27,068
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	105,000	-	-	-
Total liabilities	-	-	105,000	-	23,083	27,068
Fund Balances:						
Restricted	23,605	114,858	19,189	597,702	109,712	336,653
Assigned	-	-	-	-	-	-
Total fund balances	23,605	114,858	19,189	597,702	109,712	336,653
Total liabilities and fund balances	\$ 23,605	\$ 114,858	\$ 124,189	\$ 597,702	\$ 132,795	\$ 363,721

Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 809,815	\$ 2,331,402	\$ 629,949	\$ 3,119,624	\$ -	\$ -	\$ 244,446	\$ 105,279
597	139,605	-	200,080	-	-	-	19,750
-	-	-	-	110,912	-	-	-
2,092	5,928	1,615	6,119	20,895	-	705	334
-	-	-	-	1,305,350	-	-	-
<u>\$ 812,504</u>	<u>\$ 2,476,935</u>	<u>\$ 631,564</u>	<u>\$ 3,325,823</u>	<u>\$ 1,437,157</u>	<u>\$ -</u>	<u>\$ 245,151</u>	<u>\$ 125,363</u>
\$ 4,800	\$ 118,880	\$ -	\$ 222,259	\$ 5,641	\$ -	\$ -	\$ 1,253
-	-	-	-	105,271	-	-	-
-	-	-	-	1,326,245	-	-	-
<u>4,800</u>	<u>118,880</u>	<u>-</u>	<u>222,259</u>	<u>1,437,157</u>	<u>-</u>	<u>-</u>	<u>1,253</u>
807,704	2,358,055	631,564	3,103,564	-	-	245,151	124,110
-	-	-	-	-	-	-	-
<u>807,704</u>	<u>2,358,055</u>	<u>631,564</u>	<u>3,103,564</u>	<u>-</u>	<u>-</u>	<u>245,151</u>	<u>124,110</u>
<u>\$ 812,504</u>	<u>\$ 2,476,935</u>	<u>\$ 631,564</u>	<u>\$ 3,325,823</u>	<u>\$ 1,437,157</u>	<u>\$ -</u>	<u>\$ 245,151</u>	<u>\$ 125,363</u>

(Continued)

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2012**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
ASSETS						
Cash and investments	\$ 43,482	\$ 309,582	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	694,124	18,747	-	-	-
Grants	-	52,084	-	33,149	275,000	-
Interest	69	875	-	132,426	-	-
Notes receivable	-	-	-	556,505	-	-
Total assets	<u>\$ 43,551</u>	<u>\$ 1,056,665</u>	<u>\$ 18,747</u>	<u>\$ 722,080</u>	<u>\$ 275,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 82,490	\$ 12,081	\$ 5,379	\$ -	\$ -
Due to other funds	-	631,338	6,666	27,770	275,000	-
Deferred revenue	-	38,109	-	688,931	-	-
Total liabilities	<u>-</u>	<u>751,937</u>	<u>18,747</u>	<u>722,080</u>	<u>275,000</u>	<u>-</u>
Fund Balances:						
Restricted	43,551	304,728	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>43,551</u>	<u>304,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 43,551</u>	<u>\$ 1,056,665</u>	<u>\$ 18,747</u>	<u>\$ 722,080</u>	<u>\$ 275,000</u>	<u>\$ -</u>

Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTEA Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ 5,069	\$ 26,333	\$ -	\$ 102,285	\$ 104,304	\$ 2,113,845	\$ 303,952	\$ 11,444,037
-	-	-	55,737	-	1,677	58,725	1,242,739
-	-	367,000	-	-	-	-	838,145
-	68	-	176	179	9,438	257	184,679
-	-	-	-	-	15,032	-	1,981,887
<u>\$ 5,069</u>	<u>\$ 26,401</u>	<u>\$ 367,000</u>	<u>\$ 158,198</u>	<u>\$ 104,483</u>	<u>\$ 2,139,992</u>	<u>\$ 362,934</u>	<u>\$ 15,691,487</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,222	\$ -	\$ 522,156
-	-	367,000	-	-	-	-	1,413,045
4,756	-	-	-	-	15,032	-	2,178,073
<u>4,756</u>	<u>-</u>	<u>367,000</u>	<u>-</u>	<u>-</u>	<u>34,254</u>	<u>-</u>	<u>4,113,274</u>
313	10,000	-	158,198	104,483	2,105,738	362,934	11,561,812
-	16,401	-	-	-	-	-	16,401
<u>313</u>	<u>26,401</u>	<u>-</u>	<u>158,198</u>	<u>104,483</u>	<u>2,105,738</u>	<u>362,934</u>	<u>11,578,213</u>
<u>\$ 5,069</u>	<u>\$ 26,401</u>	<u>\$ 367,000</u>	<u>\$ 158,198</u>	<u>\$ 104,483</u>	<u>\$ 2,139,992</u>	<u>\$ 362,934</u>	<u>\$ 15,691,487</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, 2012

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,847
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	202	119	(169)	7,637	916	2,949
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	3,000	-	-	-	92,266	-
Development fees	-	-	-	-	-	-
Other	-	4,395	-	217,733	-	11,559
Total revenues	3,202	4,514	(169)	225,370	93,182	143,355
EXPENDITURES:						
Current:						
Public safety	1,501	3,639	-	-	-	-
Community development	-	-	4,317	20,923	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	10,446	129,367
Capital outlay	-	10,437	26,933	346,660	61,656	-
Total expenditures	1,501	14,076	31,250	367,583	72,102	129,367
REVENUES OVER (UNDER) EXPENDITURES	1,701	(9,562)	(31,419)	(142,213)	21,080	13,988
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	1,701	(9,562)	(31,419)	(142,213)	21,080	13,988
FUND BALANCES:						
Beginning of year	21,904	124,420	50,608	739,915	88,632	322,665
End of year	\$ 23,605	\$ 114,858	\$ 19,189	\$ 597,702	\$ 109,712	\$ 336,653

Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 69,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	1,900
7,067	19,444	7,409	20,457	-	-	2,433	1,171
-	855,590	-	1,974,811	110,912	-	-	-
-	-	-	-	-	-	29,989	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	26,150
-	-	-	-	-	-	-	-
1,103	-	-	-	-	-	-	-
<u>78,033</u>	<u>875,034</u>	<u>7,409</u>	<u>1,995,268</u>	<u>110,912</u>	<u>-</u>	<u>32,422</u>	<u>29,221</u>
-	-	-	-	-	-	30,000	-
-	-	-	-	110,912	-	-	-
32,358	32,518	-	7,709	-	-	-	-
-	-	-	-	-	-	-	37,601
-	612,775	400,000	2,147,813	-	-	39,755	-
<u>32,358</u>	<u>645,293</u>	<u>400,000</u>	<u>2,155,522</u>	<u>110,912</u>	<u>-</u>	<u>69,755</u>	<u>37,601</u>
<u>45,675</u>	<u>229,741</u>	<u>(392,591)</u>	<u>(160,254)</u>	<u>-</u>	<u>-</u>	<u>(37,333)</u>	<u>(8,380)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(37,274)
-	-	-	-	-	-	-	(37,274)
<u>45,675</u>	<u>229,741</u>	<u>(392,591)</u>	<u>(160,254)</u>	<u>-</u>	<u>-</u>	<u>(37,333)</u>	<u>(45,654)</u>
<u>762,029</u>	<u>2,128,314</u>	<u>1,024,155</u>	<u>3,263,818</u>	<u>-</u>	<u>-</u>	<u>282,484</u>	<u>169,764</u>
<u>\$ 807,704</u>	<u>\$ 2,358,055</u>	<u>\$ 631,564</u>	<u>\$ 3,103,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,151</u>	<u>\$ 124,110</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, 2012

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	207	3,223	-	-	-	-
Intergovernmental	-	1,031,599	-	238,147	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	94,226	-	-	-
Contributions and donations	25,000	-	-	-	-	-
Development fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	25,207	1,034,822	94,226	238,147	-	-
EXPENDITURES:						
Current:						
Public safety	-	76,129	-	-	-	-
Community development	-	-	-	238,147	-	-
Operations services	-	-	94,226	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	921,850	-	-	-	-
Total expenditures	-	997,979	94,226	238,147	-	-
REVENUES OVER (UNDER) EXPENDITURES	25,207	36,843	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(104,126)	-	-	-	-
Total other financing sources (uses)	-	(104,126)	-	-	-	-
Net change in fund balances	25,207	(67,283)	-	-	-	-
FUND BALANCES:						
Beginning of year	18,344	372,011	-	-	-	-
End of year	\$ 43,551	\$ 304,728	\$ -	\$ -	\$ -	\$ -

Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,710
-	-	-	-	-	-	-	1,900
31	234	-	350	357	18,762	507	93,306
206,113	-	-	-	-	-	362,427	4,779,599
-	-	-	-	-	-	-	29,989
-	-	-	-	-	-	-	94,226
-	-	-	-	-	-	-	146,416
-	-	-	-	-	1,302,276	-	1,302,276
-	-	-	218,168	-	-	-	452,958
206,144	234	-	218,518	357	1,321,038	362,934	7,099,380
-	-	-	-	-	-	-	111,269
-	-	-	-	-	-	-	374,299
207,377	-	-	-	-	11,856	-	386,044
-	-	-	60,320	-	-	-	237,734
-	-	-	-	-	174,649	-	4,742,528
207,377	-	-	60,320	-	186,505	-	5,851,874
(1,233)	234	-	158,198	357	1,134,533	362,934	1,247,506
-	-	-	-	104,126	4,720,953	-	4,825,079
-	-	-	-	-	(3,749,748)	-	(3,891,148)
-	-	-	-	104,126	971,205	-	933,931
(1,233)	234	-	158,198	104,483	2,105,738	362,934	2,181,437
1,546	26,167	-	-	-	-	-	9,396,776
\$ 313	\$ 26,401	\$ -	\$ 158,198	\$ 104,483	\$ 2,105,738	\$ 362,934	\$ 11,578,213

(Concluded)

City of Pleasanton
Budgetary Comparison Schedule
D.A.R.E Trust Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 202	\$ (98)
Contributions and donations	-	-	3,000	3,000
Total revenues	<u>300</u>	<u>300</u>	<u>3,202</u>	<u>2,902</u>
EXPENDITURES:				
Current:				
Public safety	5,000	5,000	1,501	3,499
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,501</u>	<u>3,499</u>
Net change in fund balances	<u>\$ (4,700)</u>	<u>\$ (4,700)</u>	1,701	<u>\$ 6,401</u>
FUND BALANCES:				
Beginning of year			<u>21,904</u>	
End of year			<u>\$ 23,605</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Asset Forfeiture Special Revenue Fund
 For the year ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Other	\$ 10,000	\$ 10,000	\$ 4,395	\$ (5,605)
Use of money and property	100	100	119	19
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>4,514</u>	<u>(5,586)</u>
EXPENDITURES:				
Current:				
Public safety	-	-	3,639	(3,639)
Capital outlay	14,000	14,000	10,437	3,563
Total expenditures	<u>14,000</u>	<u>14,000</u>	<u>14,076</u>	<u>76</u>
Net change in fund balances	<u>\$ (3,900)</u>	<u>\$ (3,900)</u>	(9,562)	<u>\$ (5,662)</u>
FUND BALANCES:				
Beginning of year			<u>124,420</u>	
End of year			<u>\$ 114,858</u>	

City of Pleasanton
Budgetary Comparison Schedule
CBD Parking In-Lieu Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 1,680	\$ 1,680	\$ (169)	\$ (1,849)
Contributions and donations	20,280	20,280	-	(20,280)
Total revenues	<u>21,960</u>	<u>21,960</u>	<u>(169)</u>	<u>(22,129)</u>
EXPENDITURES:				
Current:				
Community Development	-	-	4,317	(4,317)
Capital outlay	50,547	50,547	26,933	23,614
Total expenditures	<u>50,547</u>	<u>50,547</u>	<u>31,250</u>	<u>19,297</u>
Net change in fund balances	<u>\$ (28,587)</u>	<u>\$ (28,587)</u>	<u>(31,419)</u>	<u>\$ (2,832)</u>
FUND BALANCES:				
Beginning of year			<u>50,608</u>	
End of year			<u>\$ 19,189</u>	

City of Pleasanton
Budgetary Comparison Schedule
Resource Management Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,500	\$ 3,500	\$ 7,637	\$ 4,137
Other	274,000	218,000	217,733	(267)
Total revenues	<u>277,500</u>	<u>221,500</u>	<u>225,370</u>	<u>3,870</u>
EXPENDITURES:				
Current:				
Community development	338,321	153,354	20,923	132,431
Capital Outlay	-	346,660	346,660	-
Total expenditures	<u>338,321</u>	<u>500,014</u>	<u>367,583</u>	<u>132,431</u>
Net change in fund balances	<u>\$ (60,821)</u>	<u>\$ (278,514)</u>	<u>(142,213)</u>	<u>\$ 136,301</u>
FUND BALANCES:				
Beginning of year			<u>739,915</u>	
End of year			<u>\$ 597,702</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Donations Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 700	\$ 900	\$ 916	\$ 16
Contributions and donations	40,000	52,865	92,266	39,401
Total revenues	<u>40,700</u>	<u>53,765</u>	<u>93,182</u>	<u>39,417</u>
EXPENDITURES:				
Current:				
Community activities	6,094	18,959	10,446	8,513
Capital Outlay	40,000	40,000	61,656	(21,656)
Total expenditures	<u>46,094</u>	<u>58,959</u>	<u>72,102</u>	<u>(13,143)</u>
Net change in fund balances	<u>\$ (5,394)</u>	<u>\$ (5,194)</u>	21,080	<u>\$ 26,274</u>
FUND BALANCES:				
Beginning of year			<u>88,632</u>	
End of year			<u>\$ 109,712</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Landscape and Lighting Districts Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 129,947	\$ 129,947	\$ 128,847	\$ (1,100)
Use of money and property	4,010	4,010	2,949	(1,061)
Other	11,559	11,559	11,559	-
Total revenues	<u>145,516</u>	<u>145,516</u>	<u>143,355</u>	<u>(2,161)</u>
EXPENDITURES:				
Current:				
Community activities	<u>120,000</u>	<u>139,674</u>	<u>129,367</u>	<u>10,307</u>
Total expenditures	<u>120,000</u>	<u>139,674</u>	<u>129,367</u>	<u>10,307</u>
Net change in fund balances	<u>\$ 25,516</u>	<u>\$ 5,842</u>	13,988	<u>\$ 8,146</u>
FUND BALANCES:				
Beginning of year			<u>322,665</u>	
End of year			<u>\$ 336,653</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Geologic Hazard Assessment Districts Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 68,568	\$ 68,568	\$ 69,863	\$ 1,295
Use of money and property	8,700	8,100	7,067	(1,033)
Other	1,103	1,103	1,103	-
Total revenues	<u>78,371</u>	<u>77,771</u>	<u>78,033</u>	<u>262</u>
EXPENDITURES:				
Current:				
Operations services	66,330	68,145	32,358	35,787
Total expenditures	<u>66,330</u>	<u>68,145</u>	<u>32,358</u>	<u>35,787</u>
Net change in fund balances	<u>\$ 12,041</u>	<u>\$ 9,626</u>	45,675	<u>\$ 36,049</u>
FUND BALANCES:				
Beginning of year			<u>762,029</u>	
End of year			<u>\$ 807,704</u>	

City of Pleasanton
Budgetary Comparison Schedule
Measure B Transportation Improvements Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 19,800	\$ 10,000	\$ 19,444	\$ 9,444
Intergovernmental	775,338	775,338	855,590	80,252
Total revenues	<u>795,138</u>	<u>785,338</u>	<u>875,034</u>	<u>89,696</u>
EXPENDITURES:				
Current:				
Operations services	33,436	33,436	32,518	918
Capital outlay	3,950,720	2,833,511	612,775	2,220,736
Total expenditures	<u>3,984,156</u>	<u>2,866,947</u>	<u>645,293</u>	<u>2,221,654</u>
Net change in fund balances	<u><u>\$ (3,189,018)</u></u>	<u><u>\$ (2,081,609)</u></u>	229,741	<u><u>\$ 2,311,350</u></u>
FUND BALANCES:				
Beginning of year			<u>2,128,314</u>	
End of year			<u><u>\$ 2,358,055</u></u>	

City of Pleasanton
Budgetary Comparison Schedule
Prop 1B Street Repair Bond Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,200	\$ 4,700	\$ 7,409	\$ 2,709
Intergovernmental	622,135	-	-	-
Total revenues	<u>625,335</u>	<u>4,700</u>	<u>7,409</u>	<u>2,709</u>
EXPENDITURES:				
Capital outlay	622,135	622,135	400,000	222,135
Total expenditures	<u>622,135</u>	<u>622,135</u>	<u>400,000</u>	<u>222,135</u>
Net change in fund balances	<u>\$ 3,200</u>	<u>\$ (617,435)</u>	<u>(392,591)</u>	<u>\$ 224,844</u>
FUND BALANCES:				
Beginning of year			<u>1,024,155</u>	
End of year			<u>\$ 631,564</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Gas Tax Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 32,800	\$ 10,400	\$ 20,457	\$ 10,057
Intergovernmental	1,906,053	1,824,664	1,974,811	150,147
Total revenues	<u>1,938,853</u>	<u>1,835,064</u>	<u>1,995,268</u>	<u>160,204</u>
EXPENDITURES:				
Current:				
Operations services	7,500	7,711	7,709	(2)
Capital outlay	4,223,768	3,135,816	2,147,813	988,003
Total expenditures	<u>4,231,268</u>	<u>3,143,527</u>	<u>2,155,522</u>	<u>988,001</u>
Net change in fund balances	<u>\$ (2,292,415)</u>	<u>\$ (1,308,463)</u>	(160,254)	<u>\$ 1,148,205</u>
FUND BALANCES:				
Beginning of year			<u>3,263,818</u>	
End of year			<u>\$ 3,103,564</u>	

City of Pleasanton
Budgetary Comparison Schedule
H.O.M.E. Program Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 178,000	\$ 179,156	\$ 110,912	\$ (68,244)
Total revenues	178,000	179,156	110,912	(68,244)
EXPENDITURES:				
Current:				
Community development	178,000	179,156	110,912	68,244
Total expenditures	178,000	179,156	110,912	68,244
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
M.T.C. Special Revenue Fund
For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 161,285	\$ 161,285	\$ -	\$ (161,285)
Total revenues	<u>161,285</u>	<u>161,285</u>	<u>-</u>	<u>(161,285)</u>
EXPENDITURES:				
Capital outlay	161,285	161,285	-	161,285
Total expenditures	<u>161,285</u>	<u>161,285</u>	<u>-</u>	<u>161,285</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
Abandoned Vehicle Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,500	\$ 3,000	\$ 2,433	\$ (567)
Charges for services	30,000	30,000	29,989	(11)
Total revenues	<u>33,500</u>	<u>33,000</u>	<u>32,422</u>	<u>(578)</u>
EXPENDITURES:				
Current:				
Public safety	30,000	30,000	30,000	-
Capital Outlay	75,000	75,000	39,755	35,245
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>69,755</u>	<u>35,245</u>
Net change in fund balances	<u>\$ (71,500)</u>	<u>\$ (72,000)</u>	(37,333)	<u>\$ (35,823)</u>
FUND BALANCES:				
Beginning of year			<u>282,484</u>	
End of year			<u>\$ 245,151</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Urban Forestry Program Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Contributions and donations	\$ -	\$ 26,150	\$ 26,150	\$ -
Fines and forfeitures	-	1,900	1,900	-
Use of money and property	2,300	2,000	1,171	(829)
Total revenues	<u>2,300</u>	<u>30,050</u>	<u>29,221</u>	<u>(829)</u>
EXPENDITURES:				
Current:				
Community activities	19,400	37,601	37,601	-
Total expenditures	<u>19,400</u>	<u>37,601</u>	<u>37,601</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfer out	(37,274)	(37,274)	(37,274)	-
Total other financing sources	<u>(37,274)</u>	<u>(37,274)</u>	<u>(37,274)</u>	<u>-</u>
Net change in fund balances	<u>\$ (54,374)</u>	<u>\$ (44,825)</u>	(45,654)	<u>\$ (829)</u>
FUND BALANCES:				
Beginning of year			<u>169,764</u>	
End of year			<u>\$ 124,110</u>	

City of Pleasanton
Budgetary Comparison Schedule
Library Trust Fund Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 207	\$ 7
Contributions and donations	-	25,000	25,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>200</u>	<u>25,200</u>	<u>25,207</u>	<u>7</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	<u>\$ 200</u>	<u>\$ 25,200</u>	25,207	<u>\$ 7</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES:				
Beginning of year			<u>18,344</u>	
End of year			<u>\$ 43,551</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Grants Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 2,600	\$ 3,300	\$ 3,223	\$ (77)
Intergovernmental	9,462	911,993	1,031,599	119,606
Total revenues	12,062	915,293	1,034,822	119,529
EXPENDITURES:				
Current:				
Public safety	9,462	110,183	76,129	34,054
Capital outlay	102,110	1,064,280	921,850	142,430
Total expenditures	111,572	1,174,463	997,979	176,484
OTHER FINANCING SOURCES:				
Transfer out	-	(104,217)	(104,126)	91
Total other financing sources	-	(104,217)	(104,126)	91
Net change in fund balances	\$ (99,510)	\$ (363,387)	(67,283)	\$ 296,104
FUND BALANCES:				
Beginning of year			372,011	
End of year			\$ 304,728	

City of Pleasanton
Budgetary Comparison Schedule
HBPOA Maintenance District Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Reimbursements	\$ 100,000	\$ 100,000	\$ 94,226	\$ (5,774)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>94,226</u>	<u>(5,774)</u>
EXPENDITURES:				
Operations services	<u>100,000</u>	<u>100,000</u>	<u>94,226</u>	<u>5,774</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>94,226</u>	<u>5,774</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Pleasanton
Budgetary Comparison Schedule
Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 238,147	\$ (11,853)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>238,147</u>	<u>(11,853)</u>
EXPENDITURES:				
Current:				
Community development	250,000	250,000	238,147	11,853
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>238,147</u>	<u>11,853</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Grants Special Revenue Fund
For the year ended June 30, 2012

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

**City of Pleasanton
 Budgetary Comparison Schedule
 State Park Bonds Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Federal Stimulus ARRA Grants Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 31	\$ 31
Intergovernmental	298,848	231,031	206,113	(24,918)
Total revenues	<u>298,848</u>	<u>231,031</u>	<u>206,144</u>	<u>(24,887)</u>
EXPENDITURES:				
Current:				
Operations services	231,033	231,967	207,377	24,590
Capital outlay	79,301	-	-	-
Total expenditures	<u>310,334</u>	<u>231,967</u>	<u>207,377</u>	<u>24,590</u>
Net change in fund balances	<u>\$ (11,486)</u>	<u>\$ (936)</u>	<u>(1,233)</u>	<u>\$ (297)</u>
FUND BALANCES:				
Beginning of year			<u>1,546</u>	
End of year			<u>\$ 313</u>	

City of Pleasanton
Budgetary Comparison Schedule
Downtown Economic Loan Special Revenue Fund
For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 234	\$ (66)
Total revenues	<u>300</u>	<u>300</u>	<u>234</u>	<u>(66)</u>
Net change in fund balances	<u>\$ 300</u>	<u>\$ 300</u>	234	<u>\$ (66)</u>
FUND BALANCES:				
Beginning of year			<u>26,167</u>	
End of year			<u>\$ 26,401</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Federal ISTEA Program Special Revenue Fund
 For the year ended June 30, 2012**

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

City of Pleasanton
Budgetary Comparison Schedule
Community Access Television Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 350	\$ 350
Other	-	218,168	218,168	-
Total revenues	-	218,168	218,518	350
EXPENDITURES:				
Current:				
Community Activities	-	60,320	60,320	-
Total expenditures	-	60,320	60,320	-
Net change in fund balances	\$ -	\$ 157,848	158,198	\$ 350
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 158,198	

City of Pleasanton
Budgetary Comparison Schedule
Marilyn Murphy Kane Trail Reserve Special Revenue Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 357	\$ 357
Total revenues	-	-	357	357
OTHER FINANCING SOURCES (USES):				
Transfers in	-	104,217	104,126	(91)
Total other financing sources (uses)	-	104,217	104,126	(91)
Net change in fund balances	\$ -	\$ 104,217	104,483	\$ 266
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 104,483	

**City of Pleasanton
 Budgetary Comparison Schedule
 Specific Plan Funds Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 5,000	\$ 18,762	\$ 13,762
Development fees	-	-	1,302,276	1,302,276
Total revenues	-	5,000	1,321,038	1,316,038
EXPENDITURES:				
Current:				
Operations Services	-	11,856	11,856	-
Capital outlay	-	965,716	174,649	791,067
Total expenditures	-	977,572	186,505	791,067
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,729,867	4,720,953	(8,914)
Transfers out	-	(3,136,539)	(3,749,748)	(613,209)
Total other financing sources (uses)	-	1,593,328	971,205	(622,123)
Net change in fund balances	\$ -	\$ 620,756	2,105,738	\$ 1,484,982
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 2,105,738	

**City of Pleasanton
 Budgetary Comparison Schedule
 Vehicle Registration Fees Special Revenue Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 507	507
Intergovernmental	-	-	362,427	362,427
Total revenues	-	-	362,934	362,934
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	362,934	\$ 362,934
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 362,934	

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, 2012

	2003 COPs	2004 COPs	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Restricted cash and investments	\$ 1	\$ 394,963	\$ 394,964
Total assets	<u>\$ 1</u>	<u>\$ 394,963</u>	<u>\$ 394,964</u>
FUND BALANCES			
Restricted	\$ 1	\$ 394,963	\$ 394,964
Total fund balances	<u>\$ 1</u>	<u>\$ 394,963</u>	<u>\$ 394,964</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
For the year ended June 30, 2012

	2003 COPs	2004 COPs	Total
REVENUES:			
Use of money and property	\$ 3	\$ 18	\$ 21
Total operating revenues	<u>3</u>	<u>18</u>	<u>21</u>
EXPENDITURES:			
Debt service:			
Principal	1,030,000	345,000	1,375,000
Interest	968,690	41,303	1,009,993
Total expenditures	<u>1,998,690</u>	<u>386,303</u>	<u>2,384,993</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,998,687)</u>	<u>(386,285)</u>	<u>(2,384,972)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,998,688</u>	<u>386,303</u>	<u>2,384,991</u>
Total other financing sources (uses)	<u>1,998,688</u>	<u>386,303</u>	<u>2,384,991</u>
Net change in fund balances	1	18	19
FUND BALANCES:			
Beginning of year	<u>-</u>	<u>394,945</u>	<u>394,945</u>
End of year	<u>\$ 1</u>	<u>\$ 394,963</u>	<u>\$ 394,964</u>

City of Pleasanton
Budgetary Comparison Schedule
2003 COPs Debt Service Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES:				
Debt service:				
Principal	1,030,000	1,030,000	1,030,000	-
Interest, fiscal charges	968,690	968,690	968,690	-
Total expenditures	1,998,690	1,998,690	1,998,690	-
REVENUES OVER (UNDER) EXPENDITURES	(1,998,690)	(1,998,690)	(1,998,687)	3
OTHER FINANCING SOURCES (USES):				
Transfers in	1,999,160	1,999,160	1,998,688	(472)
Total other financing sources (uses)	1,999,160	1,999,160	1,998,688	(472)
Net change in fund balances	\$ 470	\$ 470	1	\$ (469)
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ 1</u>	

City of Pleasanton
Budgetary Comparison Schedule
2004 COPs Debt Service Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 18	\$ 18
Total revenues	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
EXPENDITURES:				
Debt service:				
Principal	345,000	345,000	345,000	-
Interest, fiscal charges	41,303	41,303	41,303	-
Total expenditures	<u>386,303</u>	<u>386,303</u>	<u>386,303</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(386,303)</u>	<u>(386,303)</u>	<u>(386,285)</u>	<u>18</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	386,303	386,303	386,303	-
Total other financing sources (uses)	<u>386,303</u>	<u>386,303</u>	<u>386,303</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>18</u>	<u>\$ 18</u>
FUND BALANCES:				
Beginning of year			<u>394,945</u>	
End of year			<u>\$ 394,963</u>	

This page intentionally left blank.

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.

This page intentionally left blank.

**City of Pleasanton
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2012**

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
ASSETS						
Cash and investments	\$ 6,692,647	\$ 3,469,246	\$ 2,722,991	\$ 3,850,876	\$ 8,478,926	\$ 3,259,489
Receivables:						
Accounts	2,111	2,639	-	-	89,141	-
Interest	19,880	8,614	7,090	8,675	21,810	8,248
Deposits	-	1,002,371	-	-	-	-
Total assets	\$ 6,714,638	\$ 4,482,870	\$ 2,730,081	\$ 3,859,551	\$ 8,589,877	\$ 3,267,737
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 6,000	\$ -	\$ -	\$ 46,856	\$ 222,378	\$ 15,028
Deposits	-	-	-	-	-	-
Total liabilities	6,000	-	-	46,856	222,378	15,028
Fund Balances:						
Restricted	-	4,482,870	2,730,081	3,812,695	-	3,252,709
Assigned	6,708,638	-	-	-	8,367,499	-
Total fund balances	6,708,638	4,482,870	2,730,081	3,812,695	8,367,499	3,252,709
Total liabilities and fund balances	\$ 6,714,638	\$ 4,482,870	\$ 2,730,081	\$ 3,859,551	\$ 8,589,877	\$ 3,267,737

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
\$ 1,175,978	\$ 610,874	\$ 8,262,461	\$ 1,979,315	\$ 758,222	\$ 89,667	\$ 7,100,082	\$ 48,450,774
-	-	-	-	-	-	-	93,891
3,015	1,570	24,631	1,088	1,960	-	14,608	121,189
-	-	-	-	-	-	-	1,002,371
<u>\$ 1,178,993</u>	<u>\$ 612,444</u>	<u>\$ 8,287,092</u>	<u>\$ 1,980,403</u>	<u>\$ 760,182</u>	<u>\$ 89,667</u>	<u>\$ 7,114,690</u>	<u>\$ 49,668,225</u>
\$ 7,403	\$ 31,897	\$ -	\$ -	\$ 77,323	\$ -	\$ 33,019	\$ 439,904
-	-	-	-	-	89,667	-	89,667
<u>7,403</u>	<u>31,897</u>	<u>-</u>	<u>-</u>	<u>77,323</u>	<u>89,667</u>	<u>33,019</u>	<u>529,571</u>
1,171,590	580,547	8,287,092	1,980,403	682,859	-	-	26,980,846
-	-	-	-	-	-	7,081,671	22,157,808
<u>1,171,590</u>	<u>580,547</u>	<u>8,287,092</u>	<u>1,980,403</u>	<u>682,859</u>	<u>-</u>	<u>7,081,671</u>	<u>49,138,654</u>
<u>\$ 1,178,993</u>	<u>\$ 612,444</u>	<u>\$ 8,287,092</u>	<u>\$ 1,980,403</u>	<u>\$ 760,182</u>	<u>\$ 89,667</u>	<u>\$ 7,114,690</u>	<u>\$ 49,668,225</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, 2012

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
REVENUES:						
Use of money and property	\$ 72,899	\$ 27,132	\$ 24,969	\$ 22,740	\$ 77,735	\$ 27,359
Taxes	-	3,139	-	-	-	-
Development fees	-	-	207,140	643,574	18,900	789,835
Reimbursements	-	-	-	-	171,448	-
Contributions and donations	16,000	2,614,830	-	-	-	-
Other revenues	17,786	-	-	-	-	-
Total revenues	106,685	2,645,101	232,109	666,314	268,083	817,194
EXPENDITURES:						
Current:						
Operations services	-	-	-	-	-	-
Community activities	124,396	1,001	-	-	134,258	22,530
Capital outlay	140,087	-	152,877	3,144,005	535,138	6,846
Debt service						
Principal	204,187	163,813	100,000	-	-	-
Total expenditures	468,670	164,814	252,877	3,144,005	669,396	29,376
REVENUES OVER (UNDER) EXPENDITURES	(361,985)	2,480,287	(20,768)	(2,477,691)	(401,313)	787,818
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	75,000	-	-
Transfers out	(1,314,864)	-	(75,000)	-	-	-
Total other financing sources (uses)	(1,314,864)	-	(75,000)	75,000	-	-
Net change in fund balances	(1,676,849)	2,480,287	(95,768)	(2,402,691)	(401,313)	787,818
FUND BALANCES:						
Beginning of year	8,385,487	2,002,583	2,825,849	6,215,386	8,768,812	2,464,891
End of year	\$ 6,708,638	\$ 4,482,870	\$ 2,730,081	\$ 3,812,695	\$ 8,367,499	\$ 3,252,709

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
\$ 10,493	\$ 5,289	\$ 96,398	\$ 4,648	\$ 6,824	\$ -	\$ 48,209	\$ 424,695
-	-	-	-	-	-	-	3,139
-	-	-	-	88,416	-	-	1,747,865
-	-	-	-	-	-	-	171,448
-	-	1,544,196	-	-	-	-	4,175,026
-	-	-	-	-	-	-	17,786
10,493	5,289	1,640,594	4,648	95,240	-	48,209	6,539,959
39,633	-	-	23,852	-	-	-	63,485
-	-	2,119	-	-	-	5,589	289,893
-	95,710	48,696	49,999	302,686	-	251,253	4,727,297
-	-	-	-	-	-	-	468,000
39,633	95,710	50,815	73,851	302,686	-	256,842	5,548,675
(29,140)	(90,421)	1,589,779	(69,203)	(207,446)	-	(208,633)	991,284
-	-	-	-	-	-	1,875,864	1,950,864
-	-	(4,228,140)	-	-	-	-	(5,618,004)
-	-	(4,228,140)	-	-	-	1,875,864	(3,667,140)
(29,140)	(90,421)	(2,638,361)	(69,203)	(207,446)	-	1,667,231	(2,675,856)
1,200,730	670,968	10,925,453	2,049,606	890,305	-	5,414,440	51,814,510
\$ 1,171,590	\$ 580,547	\$ 8,287,092	\$ 1,980,403	\$ 682,859	\$ -	\$ 7,081,671	\$ 49,138,654

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 107,000	\$ 35,000	\$ 72,899	\$ 37,899
Contributions and donations	-	16,000	16,000	-
Other revenues	-	12,500	17,786	5,286
Total revenues	<u>107,000</u>	<u>63,500</u>	<u>106,685</u>	<u>43,185</u>
EXPENDITURES:				
Current:				
Community activities	250,000	500,000	124,396	375,604
Capital outlay	7,045,000	5,633,887	140,087	5,493,800
Debt service				
Principal	-	-	204,187	(204,187)
Total expenditures	<u>7,295,000</u>	<u>6,133,887</u>	<u>468,670</u>	<u>5,665,217</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,188,000)</u>	<u>(6,070,387)</u>	<u>(361,985)</u>	<u>5,708,402</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,314,864)	(1,314,864)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,314,864)</u>	<u>(1,314,864)</u>	<u>-</u>
Net change in fund balances	<u>\$ (7,188,000)</u>	<u>\$ (7,385,251)</u>	<u>(1,676,849)</u>	<u>\$ 5,708,402</u>
FUND BALANCES:				
Beginning of year			<u>8,385,487</u>	
End of year			<u>\$ 6,708,638</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 CIP for Downtown and North Pleasanton Capital Projects Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 9,000	\$ 9,000	\$ 27,132	\$ 18,132
Taxes	-	-	3,139	3,139
Contributions and donations	2,614,829	2,614,829	2,614,830	1
Total revenues	<u>2,623,829</u>	<u>2,623,829</u>	<u>2,645,101</u>	<u>21,272</u>
EXPENDITURES:				
Current:				
Community activities	-	1,000	1,001	(1)
Debt service				
Principal	1,927,774	1,164,813	163,813	1,001,000
Total expenditures	<u>1,927,774</u>	<u>1,165,813</u>	<u>164,814</u>	<u>1,000,999</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>696,055</u>	<u>1,458,016</u>	<u>2,480,287</u>	<u>1,022,271</u>
Net change in fund balances	<u>\$ 696,055</u>	<u>\$ 1,458,016</u>	2,480,287	<u>\$ 1,022,271</u>
FUND BALANCES:				
Beginning of year			<u>2,002,583</u>	
End of year			<u>\$ 4,482,870</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Capital Improvement Capital Projects Fund
 For the year ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 39,000	\$ 13,000	\$ 24,969	\$ 11,969
Development fees	<u>171,015</u>	<u>171,015</u>	<u>207,140</u>	<u>36,125</u>
Total revenues	<u>210,015</u>	<u>184,015</u>	<u>232,109</u>	<u>48,094</u>
EXPENDITURES:				
Capital outlay	2,225,465	2,050,303	152,877	1,897,426
Debt service				
Principal	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
Total expenditures	<u>2,225,465</u>	<u>2,050,303</u>	<u>252,877</u>	<u>1,797,426</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,090,450)</u>	<u>\$ (1,941,288)</u>	<u>(95,768)</u>	<u>\$ 1,845,520</u>
FUND BALANCES:				
Beginning of year			<u>2,825,849</u>	
End of year			<u>\$ 2,730,081</u>	

City of Pleasanton
Budgetary Comparison Schedule
Neighborhood Park Development Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 70,500	\$ 1,500	\$ 22,740	\$ 21,240
Development fees	281,503	25,000	643,574	618,574
Total revenues	<u>352,003</u>	<u>26,500</u>	<u>666,314</u>	<u>639,814</u>
EXPENDITURES:				
Capital outlay	<u>6,034,291</u>	<u>6,034,291</u>	<u>3,144,005</u>	<u>2,890,286</u>
Total expenditures	<u>6,034,291</u>	<u>6,034,291</u>	<u>3,144,005</u>	<u>2,890,286</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,682,288)</u>	<u>(6,007,791)</u>	<u>(2,477,691)</u>	<u>3,530,100</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total other financing sources (uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (5,607,288)</u>	<u>\$ (5,932,791)</u>	<u>(2,402,691)</u>	<u>\$ 3,530,100</u>
FUND BALANCES:				
Beginning of year			<u>6,215,386</u>	
End of year			<u>\$ 3,812,695</u>	

City of Pleasanton
Budgetary Comparison Schedule
Street Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 101,000	\$ 38,000	\$ 77,735	\$ 39,735
Development fees	50,000	4,000	18,900	14,900
Reimbursements	-	95,000	171,448	76,448
Total revenues	<u>151,000</u>	<u>137,000</u>	<u>268,083</u>	<u>131,083</u>
EXPENDITURES:				
Current:				
Community Activities	-	101,671	134,258	(32,587)
Capital outlay	<u>9,002,457</u>	<u>9,089,806</u>	<u>535,138</u>	<u>8,554,668</u>
Total expenditures	<u>9,002,457</u>	<u>9,191,477</u>	<u>669,396</u>	<u>8,522,081</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(8,851,457)</u>	<u>(9,054,477)</u>	<u>(401,313)</u>	<u>8,653,164</u>
Net change in fund balances	<u><u>\$ (8,851,457)</u></u>	<u><u>\$ (9,054,477)</u></u>	<u>(401,313)</u>	<u><u>\$ 8,653,164</u></u>
FUND BALANCES:				
Beginning of year			<u>8,768,812</u>	
End of year			<u><u>\$ 8,367,499</u></u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Traffic Impact Capital Projects Fund
 For the year ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 24,000	\$ 13,000	\$ 27,359	\$ 14,359
Development fees	<u>170,196</u>	<u>220,000</u>	<u>789,835</u>	<u>569,835</u>
Total revenues	<u>194,196</u>	<u>233,000</u>	<u>817,194</u>	<u>584,194</u>
EXPENDITURES:				
Current:				
Community activities	16,978	16,978	22,530	(5,552)
Capital outlay	<u>1,308,736</u>	<u>1,271,433</u>	<u>6,846</u>	<u>1,264,587</u>
Total expenditures	<u>1,325,714</u>	<u>1,288,411</u>	<u>29,376</u>	<u>1,259,035</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,131,518)</u>	<u>(1,055,411)</u>	<u>787,818</u>	<u>1,843,229</u>
Net change in fund balances	<u>\$ (1,131,518)</u>	<u>\$ (1,055,411)</u>	787,818	<u>\$ 1,843,229</u>
FUND BALANCES:				
Beginning of year			<u>2,464,891</u>	
End of year			<u>\$ 3,252,709</u>	

City of Pleasanton
Budgetary Comparison Schedule
Landscape Maintenance N.P.I.D. Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 14,000	\$ 5,000	\$ 10,493	\$ 5,493
Total revenues	<u>14,000</u>	<u>5,000</u>	<u>10,493</u>	<u>5,493</u>
EXPENDITURES:				
Current:				
Operations services	-	53,000	39,633	13,367
Total expenditures	<u>-</u>	<u>53,000</u>	<u>39,633</u>	<u>13,367</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>14,000</u>	<u>(48,000)</u>	<u>(29,140)</u>	<u>18,860</u>
Net change in fund balances	<u>\$ 14,000</u>	<u>\$ (48,000)</u>	(29,140)	<u>\$ 18,860</u>
FUND BALANCES:				
Beginning of year			<u>1,200,730</u>	
End of year			<u>\$ 1,171,590</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact - Bernal Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 9,000	\$ 2,300	\$ 5,289	\$ 2,989
Total revenues	<u>9,000</u>	<u>2,300</u>	<u>5,289</u>	<u>2,989</u>
EXPENDITURES:				
Capital Outlay	<u>552,037</u>	<u>552,037</u>	<u>95,710</u>	<u>456,327</u>
Total expenditures	<u>552,037</u>	<u>552,037</u>	<u>95,710</u>	<u>456,327</u>
Net change in fund balances	<u><u>\$ (543,037)</u></u>	<u><u>\$ (549,737)</u></u>	<u>(90,421)</u>	<u><u>\$ 459,316</u></u>
FUND BALANCES:				
Beginning of year			<u>670,968</u>	
End of year			<u><u>\$ 580,547</u></u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Budgeted Developer Projects Capital Projects Fund
 For the year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 95,449	\$ 96,398	\$ 949
Contributions and donations	-	1,535,000	1,544,196	9,196
Total revenues	-	1,630,449	1,640,594	10,145
EXPENDITURES:				
Current:				
Community activities	-	-	2,119	(2,119)
Capital outlay	5,699,737	6,064,462	48,696	6,015,766
Total expenditures	5,699,737	6,064,462	50,815	6,013,647
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(4,236,000)	(4,228,140)	7,860
Total other financing sources (uses)	-	(4,236,000)	(4,228,140)	7,860
Net change in fund balances	\$ (5,699,737)	\$ (8,670,013)	(2,638,361)	\$ 6,031,652
FUND BALANCES:				
Beginning of year			10,925,453	
End of year			\$ 8,287,092	

City of Pleasanton
Budgetary Comparison Schedule
Assessment District Construction Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 12,500	\$ 2,500	\$ 4,648	\$ 2,148
Total revenues	12,500	2,500	4,648	2,148
EXPENDITURES:				
Current:				
Operations services	21,534	23,852	23,852	-
Capital outlay	1,682,880	1,682,880	49,999	1,632,881
Total expenditures	1,704,414	1,706,732	73,851	1,632,881
Net change in fund balances	\$ (1,691,914)	\$ (1,704,232)	(69,203)	\$ 1,635,029
FUND BALANCES:				
Beginning of year			2,049,606	
End of year			\$ 1,980,403	

City of Pleasanton
Budgetary Comparison Schedule
Tri-Valley Transportation Capital Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 3,000	\$ 6,824	\$ 3,824
Development fees	17,620	47,620	88,416	40,796
Total revenues	<u>32,620</u>	<u>50,620</u>	<u>95,240</u>	<u>44,620</u>
EXPENDITURES:				
Capital outlay	625,362	625,862	302,686	323,176
Total expenditures	<u>625,362</u>	<u>625,862</u>	<u>302,686</u>	<u>323,176</u>
Net change in fund balances	<u>\$ (592,742)</u>	<u>\$ (575,242)</u>	(207,446)	<u>\$ 367,796</u>
FUND BALANCES:				
Beginning of year			<u>890,305</u>	
End of year			<u>\$ 682,859</u>	

City of Pleasanton
Budgetary Comparison Schedule
Mutual Benefits District Fund Capital Projects Fund
For the year ended June 30, 2012

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

City of Pleasanton
Budgetary Comparison Schedule
Park Capital Improvement Projects Fund
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 67,000	\$ 20,000	\$ 48,209	\$ 28,209
Total revenues	<u>67,000</u>	<u>20,000</u>	<u>48,209</u>	<u>28,209</u>
EXPENDITURES:				
Current:				
Operations services	-	1,260	5,589	(4,329)
Capital outlay	5,475,551	7,248,775	251,253	6,997,522
Total expenditures	<u>5,475,551</u>	<u>7,250,035</u>	<u>256,842</u>	<u>6,993,193</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,408,551)</u>	<u>(7,230,035)</u>	<u>(208,633)</u>	<u>7,021,402</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,875,864	1,875,864	-
Total other financing sources (uses)	<u>-</u>	<u>1,875,864</u>	<u>1,875,864</u>	<u>-</u>
Net change in fund balances	<u>\$ (5,408,551)</u>	<u>\$ (5,354,171)</u>	1,667,231	<u>\$ 7,021,402</u>
FUND BALANCES:				
Beginning of year			<u>5,414,440</u>	
End of year			<u>\$ 7,081,671</u>	

NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be recovered through user charges.

Transit

This fund receives revenue from Metropolitan Transportation Commission grants, fares from passengers and Measure B sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

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.

Electric Vehicle Fund

This fund accounts for the collection of fees from the use of city-owned electric vehicle charging stations and the expenses associated with this activity, including charging station maintenance and repair, marketing, and payment processing.

City of Pleasanton
Combining Statement of Fund Net Assets
Non-Major Enterprise Funds
June 30, 2012

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ -	\$ 554,578	\$ 414,012	\$ 36	\$ 968,626
Receivables (net):					
Accounts	64,756	20,320	-	-	85,076
Interest	-	998	-	-	998
Total current assets	64,756	575,896	414,012	36	1,054,700
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	10,000	51,750	-	61,750
Depreciable	146,402	-	325,489	-	471,891
Total noncurrent assets	146,402	10,000	377,239	-	533,641
Total assets	211,158	585,896	791,251	36	1,588,341
LIABILITIES					
Current liabilities:					
Accounts payable	346	4,507	17,725	-	22,578
Payroll payable	7,042	-	-	-	7,042
Due to other funds	56,386	-	-	-	56,386
Refundable deposits	-	-	11,831	-	11,831
Deferred revenue	982	-	106,352	-	107,334
Total current liabilities	64,756	4,507	135,908	-	205,171
Total liabilities	64,756	4,507	135,908	-	205,171
NET ASSETS					
Invested in capital assets, net of related debt	146,402	10,000	377,239	-	533,641
Unrestricted	-	571,389	278,104	36	849,529
Total net assets	\$ 146,402	\$ 581,389	\$ 655,343	\$ 36	\$ 1,383,170

City of Pleasanton
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
Non-Major Enterprise Funds
For the year ended June 30, 2012

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle Fund	Total
OPERATING REVENUES:					
Charges for services	\$ 36,393	\$ 102,046	\$ 153,255	\$ -	\$ 291,694
Miscellaneous	-	-	157,551	36	157,587
Total operating revenues	36,393	102,046	310,806	36	449,281
OPERATING EXPENSES:					
Personnel services	544,811	-	143,574	-	688,385
Transportation	60,332	-	-	-	60,332
Repairs and maintenance	4,095	-	81,518	-	85,613
Materials, supplies, and services	7,597	22,544	60,604	-	90,745
Depreciation	64,067	-	95,244	-	159,311
Total operating expenses	680,902	22,544	380,940	-	1,084,386
OPERATING INCOME (LOSS)	(644,509)	79,502	(70,134)	36	(635,105)
NONOPERATING REVENUES (EXPENSES):					
Grants	163,572	-	125,556	-	289,128
Intergovernmental	86,454	-	-	-	86,454
Interest income	-	3,214	1,681	-	4,895
Total non-operating revenues (expenses)	250,026	3,214	127,237	-	380,477
Net income (loss) before contributions and transfers	(394,483)	82,716	57,103	36	(254,628)
Transfers in	330,416	30,000	-	-	360,416
Change in net assets	(64,067)	112,716	57,103	36	105,788
NET ASSETS:					
Beginning of year	210,469	468,673	598,240	-	1,277,382
End of year	\$ 146,402	\$ 581,389	\$ 655,343	\$ 36	\$ 1,383,170

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2012

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 50,523	\$ 138,601	\$ 259,466	\$ -	\$ 448,590
Cash payments to suppliers for goods and services	(74,249)	(20,432)	(149,182)	-	(243,863)
Cash payments to employees for services	(556,716)	-	(143,574)	-	(700,290)
Miscellaneous revenue	-	-	157,551	36	157,587
Net cash provided (used) by operating activities	(580,442)	118,169	124,261	36	(337,976)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants received	163,572	-	125,556	-	289,128
Intergovernmental funds received	86,454	-	-	-	86,454
Transfer in	330,416	30,000	-	-	360,416
Net cash provided (used) by noncapital financing activities	580,442	30,000	125,556	-	735,998
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	(120,263)	-	(120,263)
Interest payment	-	-	(5,293)	-	(5,293)
Capital assets acquisition	-	-	(9,365)	-	(9,365)
Net cash provided (used) by capital and related financing activities	-	-	(134,921)	-	(134,921)
CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES					
Interest received	-	3,120	1,681	-	4,801
Net cash provided (used) by investing activities	-	3,120	1,681	-	4,801
Net increase (decrease) in cash and cash equivalents	-	151,289	116,577	36	267,902
CASH AND CASH EQUIVALENTS:					
Beginning of year	-	403,289	297,435	-	700,724
End of year	<u>\$ -</u>	<u>\$ 554,578</u>	<u>\$ 414,012</u>	<u>\$ 36</u>	<u>\$ 968,626</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (644,509)	\$ 79,502	\$ (70,134)	\$ 36	\$ (635,105)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	64,067	-	95,244	-	159,311
Decrease (increase) in:					
Accounts receivable	13,209	36,555	-	-	49,764
Increase (decrease) in:					
Accounts payable	(111)	2,112	(7,060)	-	(5,059)
Accrued payroll	(11,905)	-	-	-	(11,905)
Due to other funds	(2,114)	-	-	-	(2,114)
Deferred revenue	921	-	106,352	-	107,273
Refundable deposits	-	-	(141)	-	(141)
Net cash provided (used) by operating activities	<u>\$ (580,442)</u>	<u>\$ 118,169</u>	<u>\$ 124,261</u>	<u>\$ 36</u>	<u>\$ (337,976)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets contributed by developers	\$ -	\$ -	\$ -	\$ -	\$ -
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

PERS Rate Stabilization Fund

This fund is to provide additional annual payments to PERS that are needed to offset the impact of smoothing or negative amortization of the City's Unfunded Pension Liability.

City of Pleasanton
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2012

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
ASSETS				
Current assets:				
Cash and investments	\$ 11,902,272	\$ 346,579	\$ 22,005,755	\$ 7,458,890
Accounts receivable	20,007	-	22,149	-
Interest receivable	28,619	893	55,582	18,297
Prepaid expense	-	-	417,368	-
Total current assets	11,950,898	347,472	22,500,854	7,477,187
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Nondepreciable	-	318,893	291,807	-
Depreciable	-	-	7,646,824	-
Total noncurrent assets	-	318,893	7,938,631	-
Total assets	11,950,898	666,365	30,439,485	7,477,187
LIABILITIES				
Current liabilities:				
Accounts payable	624,560	4,044	136,225	102,411
Payroll payable	-	-	-	-
Accrued compensated absences	1,352,789	-	-	-
Claims payable	1,399,511	-	-	-
Total current liabilities	3,376,860	4,044	136,225	102,411
Noncurrent liabilities:				
Advances from other funds	6,919,821	-	-	-
Accrued compensated absences	3,763,294	-	-	-
Claims payable	2,597,603	-	-	-
Total noncurrent liabilities	13,280,718	-	-	-
Total liabilities	16,657,578	4,044	136,225	102,411
NET ASSETS				
Invested in capital assets, net of related debt	-	-	7,938,631	-
Unrestricted	(4,706,680)	662,321	22,364,629	7,374,776
Total net assets	\$ (4,706,680)	\$ 662,321	\$ 30,303,260	\$ 7,374,776

Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 6,474,570	\$ 24,725,346	\$ 2,009,738	\$ 74,923,150
5,635	-	-	47,791
13,953	52,347	2,588	172,279
-	-	-	417,368
6,494,158	24,777,693	2,012,326	75,560,588
-	6,919,821	-	6,919,821
-	-	-	610,700
-	-	-	7,646,824
-	6,919,821	-	15,177,345
6,494,158	31,697,514	2,012,326	90,737,933
150,003	293,109	-	1,310,352
-	-	-	-
-	-	-	1,352,789
317,042	-	-	1,716,553
467,045	293,109	-	4,379,694
-	-	-	6,919,821
-	-	-	3,763,294
550,670	-	-	3,148,273
550,670	-	-	13,831,388
1,017,715	293,109	-	18,211,082
-	-	-	7,938,631
5,476,443	31,404,405	2,012,326	64,588,220
\$ 5,476,443	\$ 31,404,405	\$ 2,012,326	\$ 72,526,851

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the year ended June 30, 2012

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
OPERATING REVENUES:				
Charges for services	\$ 22,329,894	\$ -	\$ 1,717,138	\$ 700,000
Miscellaneous	39,367	-	58,299	-
Total operating revenues	22,369,261	-	1,775,437	700,000
OPERATING EXPENSES:				
Personnel services	27,670,188	-	-	2,209,997
Materials, supplies, and services	2,038,600	50,041	1,870,897	7,326
Depreciation and amortization	-	-	1,345,736	-
Total operating expenses	29,708,788	50,041	3,216,633	2,217,323
OPERATING INCOME (LOSS)	(7,339,527)	(50,041)	(1,441,196)	(1,517,323)
NONOPERATING REVENUES/EXPENSES:				
Interest income	100,340	3,265	197,941	62,258
Gain (loss) from disposal of capital assets	-	-	5,410	-
Total non-operating revenues (expenses)	100,340	3,265	203,351	62,258
Income before Transfers in (out)	(7,239,187)	(46,776)	(1,237,845)	(1,455,065)
Capital contributions	-	69,218	-	-
Transfers in	-	264,675	80,000	-
Transfers out	(491,249)	-	(264,675)	-
Change in net assets	(7,730,436)	287,117	(1,422,520)	(1,455,065)
NET ASSETS:				
Beginning of year	3,023,756	375,204	31,725,780	8,829,841
End of year	\$ (4,706,680)	\$ 662,321	\$ 30,303,260	\$ 7,374,776

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 1,000,000	\$ 6,038,000	\$ -	\$ 31,785,032
72,934	-	-	170,600
1,072,934	6,038,000	-	31,955,632
-	5,573,404	-	35,453,589
1,554,922	12,356	-	5,534,142
-	-	-	1,345,736
1,554,922	5,585,760	-	42,333,467
(481,988)	452,240	-	(10,377,835)
46,952	150,988	12,326	574,070
-	-	-	5,410
46,952	150,988	12,326	579,480
(435,036)	603,228	12,326	(9,798,355)
-	-	-	69,218
-	-	1,000,000	1,344,675
-	-	-	(755,924)
(435,036)	603,228	1,012,326	(9,140,386)
5,911,479	30,801,177	1,000,000	81,667,237
\$ 5,476,443	\$ 31,404,405	\$ 2,012,326	\$ 72,526,851

City of Pleasanton
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2012

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customer/other funds	\$ 22,311,601	\$ -	\$ 1,716,156	\$ 700,000
Cash payment to suppliers for goods and services	(1,723,313)	(45,997)	(2,454,171)	89,214
Cash payment to employees for services	(27,779,405)	-	-	(2,209,997)
Miscellaneous revenue	39,367	-	58,299	-
Net cash provided (used) by operating activities	(7,151,750)	(45,997)	(679,716)	(1,420,783)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer in	-	264,675	80,000	-
Transfer out	(491,249)	-	(264,675)	-
Advances from other funds	6,919,821	-	-	-
Net cash provided (used) by noncapital financing activities	6,428,572	264,675	(184,675)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets acquisition	-	(318,893)	(717,820)	-
Capital contributions	-	69,218	-	-
Net cash provided (used) by capital and related financing activities	-	(249,675)	(717,820)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	110,612	3,510	221,334	76,456
Advances to other funds	-	-	-	-
Net cash provided (used) by investing activities	110,612	3,510	221,334	76,456
Net increase (decrease) in cash and cash equivalents	(612,566)	(27,487)	(1,360,877)	(1,344,327)
CASH AND CASH EQUIVALENTS:				
Beginning of year	12,514,838	374,066	23,366,632	8,803,217
End of year	<u>\$ 11,902,272</u>	<u>\$ 346,579</u>	<u>\$ 22,005,755</u>	<u>\$ 7,458,890</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (7,339,527)	\$ (50,041)	\$ (1,441,196)	\$ (1,517,323)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,345,736	-
Decrease (increase) in:				
Accounts receivable	(18,293)	-	(982)	-
Prepaid expense	-	-	(417,368)	-
Increase (decrease) in:				
Accounts payable	(54,683)	4,044	(165,906)	96,540
Payroll payable	(104,390)	-	-	-
Accrued compensated absences	(4,827)	-	-	-
Claims payable	369,970	-	-	-
Net cash provided (used) by operating activities	\$ (7,151,750)	\$ (45,997)	\$ (679,716)	\$ (1,420,783)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed capital assets	\$ -	\$ 54,218	\$ -	\$ -
Total noncash capital and related financing activities	\$ -	\$ 54,218	\$ -	\$ -

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 995,251	\$ 6,038,000	\$ -	\$ 31,761,008
(1,909,194)	257,247	-	(5,786,214)
-	(5,573,404)	-	(35,562,806)
72,934	-	-	170,600
<u>(841,009)</u>	<u>721,843</u>	<u>-</u>	<u>(9,417,412)</u>
-	-	1,000,000	1,344,675
-	-	-	(755,924)
-	-	-	<u>6,919,821</u>
-	-	1,000,000	7,508,572
-	-	-	(1,036,713)
-	-	-	<u>69,218</u>
-	-	-	<u>(967,495)</u>
53,809	204,784	9,738	680,243
-	(6,919,821)	-	<u>(6,919,821)</u>
<u>53,809</u>	<u>(6,715,037)</u>	<u>9,738</u>	<u>(6,239,578)</u>
(787,200)	(5,993,194)	1,009,738	(9,115,913)
7,261,770	30,718,540	1,000,000	84,039,063
<u>\$ 6,474,570</u>	<u>\$ 24,725,346</u>	<u>\$ 2,009,738</u>	<u>\$ 74,923,150</u>
\$ (481,988)	\$ 452,240	\$ -	\$ (10,377,835)
-	-	-	1,345,736
(4,749)	-	-	(24,024)
-	-	-	(417,368)
149,255	269,603	-	298,853
-	-	-	(104,390)
-	-	-	(4,827)
(503,527)	-	-	(133,557)
<u>\$ (841,009)</u>	<u>\$ 721,843</u>	<u>\$ -</u>	<u>\$ (9,417,412)</u>
\$ -	\$ -	\$ -	\$ 54,218
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,218</u>

This page intentionally left blank.

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 offences, generally narcotics related. The money is passed on to various other governmental 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.

Art Gallery Fund

This fund collects money from the sale of art displayed at the Firehouse Arts Center Gallery and remits the proceeds to the artists less any reimbursements to the General Fund for administrative costs.

City of Pleasanton
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2012

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ 38,520	\$ 34,006	\$ 11,529	\$ 986,559	\$ 834,163
Receivables:					
Accounts	34,933	-	-	466,388	-
Interest	-	108	-	-	-
Notes receivable	-	-	-	32,883	-
Total assets	\$ 73,453	\$ 34,114	\$ 11,529	\$ 1,485,830	\$ 834,163
LIABILITIES					
Accounts payable	\$ 3,786	\$ -	\$ -	\$ 1,237,685	\$ -
Due to other funds	8,637	-	-	-	-
Loan payable	-	-	-	32,883	-
Deposits	61,030	34,114	11,529	215,262	834,163
Total liabilities	\$ 73,453	\$ 34,114	\$ 11,529	\$ 1,485,830	\$ 834,163

1915 Act Bond Interest and Redemption	Art Gallery Fund	Total
\$ -	\$ 25	\$ 1,904,802
-	-	501,321
-	-	108
-	-	32,883
<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 2,439,114</u>
\$ -	\$ 25	\$ 1,241,496
-	-	8,637
-	-	32,883
-	-	1,156,098
<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 2,439,114</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>Employee Insurance Agency</u>				
Assets:				
Cash and investments	\$ 6,527	\$ 741,450	\$ (709,457)	\$ 38,520
Accounts receivable	34,952	361,898	(361,917)	34,933
Total assets	\$ 41,479	\$ 1,103,348	\$ (1,071,374)	\$ 73,453
Liabilities:				
Accounts payable	\$ 31,174	\$ 539,174	\$ (505,532)	\$ 64,816
Due to other funds	10,305	8,637	(10,305)	8,637
Total liabilities	\$ 41,479	\$ 547,811	\$ (515,837)	\$ 73,453
<u>Downtown Merchant Association</u>				
Assets:				
Cash and investments	\$ 36,886	\$ 64,346	\$ (67,226)	\$ 34,006
Interest receivable	125	108	(125)	108
Total assets	\$ 37,011	\$ 64,454	\$ (67,351)	\$ 34,114
Liabilities:				
Accounts payable	\$ -	\$ 67,225	\$ (67,225)	\$ -
Deposits	37,011	221	(3,118)	34,114
Total liabilities	\$ 37,011	\$ 67,446	\$ (70,343)	\$ 34,114
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 7,263	\$ 6,724	\$ (2,458)	\$ 11,529
Total assets	\$ 7,263	\$ 6,724	\$ (2,458)	\$ 11,529
Liabilities:				
Accounts payable	\$ -	\$ 2,458	\$ (2,458)	\$ -
Deposits	7,263	4,266	-	11,529
Total liabilities	\$ 7,263	\$ 6,724	\$ (2,458)	\$ 11,529
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 1,201,217	\$ 8,667,168	\$ (8,881,826)	\$ 986,559
Receivables:				
Accounts	455,157	607,111	(595,880)	466,388
Notes	35,393	-	(2,510)	32,883
Total assets	\$ 1,691,767	\$ 9,274,279	\$ (9,480,216)	\$ 1,485,830
Liabilities:				
Payables:				
Accounts	\$ 1,601,451	\$ 6,927,681	\$ (7,291,447)	\$ 1,237,685
Notes	35,393	-	(2,510)	32,883
Deposits	54,923	990,406	(830,067)	215,262
Total liabilities	\$ 1,691,767	\$ 7,918,087	\$ (8,124,024)	\$ 1,485,830

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 924,224	\$ 242,300	\$ (332,361)	\$ 834,163
Total assets	\$ 924,224	\$ 242,300	\$ (332,361)	\$ 834,163
Liabilities:				
Accounts payable	\$ -	\$ 74,000	\$ (74,000)	\$ -
Deposits	924,224	95,939	(186,000)	834,163
Total liabilities	\$ 924,224	\$ 169,939	\$ (260,000)	\$ 834,163
<u>1915 Act Bond</u>				
<u>Interest and Redemption</u>				
Assets:				
Cash and investments	\$ 2,568,411	\$ 48,341	\$ (2,616,752)	\$ -
Receivables:				
Accounts	48,224	-	(48,224)	-
Interest	(2,734)	2,734	-	-
Total assets	\$ 2,613,901	\$ 51,075	\$ (2,664,976)	\$ -
Liabilities:				
Accounts payable	\$ 1,922	\$ -	\$ (1,922)	\$ -
Due to Bondholders	2,611,979	-	(2,611,979)	-
Total liabilities	\$ 2,613,901	\$ -	\$ (2,613,901)	\$ -
<u>Art Gallery Fund</u>				
Assets:				
Cash and investments	\$ -	\$ 3,810	\$ (3,785)	\$ 25
Total assets	\$ -	\$ 3,810	\$ (3,785)	\$ 25
Liabilities:				
Accounts payable	\$ -	\$ 3,810	\$ (3,785)	\$ 25
Total liabilities	\$ -	\$ 3,810	\$ (3,785)	\$ 25
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 4,744,528	\$ 9,774,139	\$ (12,613,865)	\$ 1,904,802
Receivables:				
Accounts	538,333	969,009	(1,006,021)	501,321
Interest	(2,609)	2,842	(125)	108
Notes receivable	35,393	-	(2,510)	32,883
Total assets	\$ 5,315,645	\$ 10,745,990	\$ (13,622,521)	\$ 2,439,114
Liabilities:				
Payables:				
Accounts	\$ 1,634,547	\$ 7,544,665	\$ (7,876,686)	\$ 1,302,526
Notes	35,393	-	(2,510)	32,883
Due to other funds	10,305	8,637	(10,305)	8,637
Due to bondholders	2,611,979	-	(2,611,979)	-
Deposits	1,023,421	1,090,832	(1,019,185)	1,095,068
Total liabilities	\$ 5,315,645	\$ 8,644,134	\$ (11,520,665)	\$ 2,439,114

(Concluded)

This page intentionally left blank.

STATISTICAL SECTION

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

Contents	<u>Page</u>
<i>Financial Trends Information</i>	
This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	187
<i>Revenue Capacity Information</i>	
This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.	199
<i>Debt Capacity Information</i>	
This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	207
<i>Demographic and Economic Information</i>	
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.	215
<i>Operating Information</i>	
This information is intended to provide information about operations and resources to assist readers in using financial statements information to understand and assess a government's economic condition.	219

This page intentionally left blank.

Financial Trends Information

Net Assets by Component - Last Ten Fiscal Years

Changes in Net Assets - Last Ten Fiscal Years

Fund Balances - Last Ten Fiscal Years

Changes in Fund Balances - Last Ten Fiscal Years

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

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

Fiscal Year Ended June 30

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 378,710,205	\$ 387,184,839	\$ 408,670,524	\$ 447,001,813	\$ 442,888,249	\$ 459,571,666
50,280,585	56,544,224	49,187,538	52,277,108	53,388,353	53,945,028
<u>141,297,679</u>	<u>153,668,288</u>	<u>145,009,695</u>	<u>129,218,569</u>	<u>125,477,861</u>	<u>116,496,384</u>
<u>\$ 570,288,469</u>	<u>\$ 597,397,351</u>	<u>\$ 602,867,757</u>	<u>\$ 628,497,490</u>	<u>\$ 621,754,463</u>	<u>\$ 630,013,078</u>
\$ 204,187,116	\$ 210,923,039	\$ 214,389,793	\$ 210,069,900	\$ 202,753,118	\$ 196,819,739
686,964	620,850	610,294	264,948	2,267,923	4,273,502
<u>56,449,170</u>	<u>52,522,039</u>	<u>49,036,181</u>	<u>42,260,016</u>	<u>40,528,824</u>	<u>41,306,525</u>
<u>\$ 261,323,250</u>	<u>\$ 264,065,928</u>	<u>\$ 264,036,268</u>	<u>\$ 252,594,864</u>	<u>\$ 245,549,865</u>	<u>\$ 242,399,766</u>
\$ 582,897,321	\$ 598,107,878	\$ 623,060,317	\$ 657,071,713	\$ 645,641,367	\$ 656,391,405
50,967,549	57,165,074	49,797,832	52,542,056	55,656,276	58,218,530
<u>197,746,849</u>	<u>206,190,327</u>	<u>194,045,876</u>	<u>171,478,585</u>	<u>166,006,685</u>	<u>157,802,909</u>
<u>\$ 831,611,719</u>	<u>\$ 861,463,279</u>	<u>\$ 866,904,025</u>	<u>\$ 881,092,354</u>	<u>\$ 867,304,328</u>	<u>\$ 872,412,844</u>

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

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

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

Fiscal Year Ended June 30

2007	2008	2009	2010	2011	2012
\$ 540,607	\$ 539,443	\$ 553,377	\$ 552,655	\$ 600,615	\$ 530,379
14,495,113	15,748,044	15,222,341	15,438,986	15,133,410	15,349,962
599,131	579,215	2,143,307	1,881,698	1,263,487	4,213,319
3,216,986	3,074,811	115,257	180,938	254,425	172,033
3,899,454	4,005,599	3,794,922	3,316,593	3,409,771	3,814,092
3,641,293	3,090,744	4,238,873	2,352,064	2,344,348	1,981,223
10,113,847	21,607,143	15,900,420	7,684,713	9,269,252	30,930,426
<u>36,506,431</u>	<u>48,644,999</u>	<u>41,968,497</u>	<u>31,407,647</u>	<u>32,275,308</u>	<u>56,991,434</u>
15,964,135	15,535,004	14,882,156	14,045,288	15,906,217	17,858,731
13,489,859	11,178,802	10,461,999	10,693,533	11,201,749	12,450,545
4,564,478	4,578,857	4,374,085	4,182,190	3,871,138	3,924,212
39,284	43,130	42,289	40,306	40,278	36,393
363,353	356,724	361,563	365,816	370,024	365,155
-	-	-	-	349,941	102,046
142,447	159,226	175,873	160,093	155,609	153,255
-	-	-	-	-	370,989
12,107,855	7,075,196	10,913,306	665,225	-	99,596
<u>46,671,411</u>	<u>38,926,939</u>	<u>41,211,271</u>	<u>30,152,451</u>	<u>31,894,956</u>	<u>35,360,922</u>
<u>\$ 83,177,842</u>	<u>\$ 87,571,938</u>	<u>\$ 83,179,768</u>	<u>\$ 61,560,098</u>	<u>\$ 64,170,264</u>	<u>\$ 92,352,356</u>
\$ 11,598,637	\$ 9,928,811	\$ 10,751,657	\$ 14,462,794	\$ 11,320,194	\$ 11,287,857
45,396,698	47,939,264	53,586,653	53,923,103	53,346,944	61,545,745
5,527,218	5,054,123	12,485,756	10,931,688	11,383,162	12,614,316
25,333,753	27,080,827	16,774,701	16,120,414	25,859,451	25,072,278
20,576,380	20,866,873	25,180,011	21,559,193	13,238,584	12,186,269
1,232,732	1,202,153	1,159,175	1,122,135	1,077,908	1,048,843
<u>109,665,418</u>	<u>112,072,051</u>	<u>119,937,953</u>	<u>118,119,327</u>	<u>116,226,243</u>	<u>123,755,308</u>
16,863,032	16,671,095	20,941,922	17,710,045	18,783,261	20,624,535
12,906,227	13,883,619	13,968,779	14,794,022	13,818,267	14,216,171
5,904,610	5,737,159	5,249,520	5,530,246	5,048,601	5,146,812
508,760	557,103	708,954	687,793	694,687	690,067
1,529,192	1,531,754	1,894,830	1,866,985	1,822,769	1,746,357
90,274	58,407	47,983	207,186	36,998	22,544
397,526	372,050	413,767	425,771	453,270	380,940
<u>38,199,621</u>	<u>38,811,187</u>	<u>43,225,755</u>	<u>41,222,048</u>	<u>40,657,853</u>	<u>42,827,426</u>
<u>\$ 147,865,039</u>	<u>\$ 150,883,238</u>	<u>\$ 163,163,708</u>	<u>\$ 159,341,375</u>	<u>\$ 156,884,096</u>	<u>\$ 166,582,734</u>

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

	Fiscal Year Ended June 30			
	2003	2004	2005	2006
Net (Expenses)/Revenue:				
Governmental Activities:	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)	\$ (63,178,190)
Business-Type Activities:	10,097,335	1,913,060	3,599,101	5,247,227
Total Net (Expense)/Revenue	<u>97,626,619</u>	<u>(17,292,913)</u>	<u>(46,455,756)</u>	<u>(57,930,963)</u>
General Revenues & Other Changes in Net Assets				
Governmental Activities:				
Taxes				
Property taxes	31,203,614	33,310,777	36,670,867	41,257,246
Other taxes	6,201,315	6,341,691	7,080,946	7,484,133
Sales tax	18,385,104	18,555,644	19,885,692	21,029,378
Motor vehicle in lieu	3,838,559	2,916,339	714,960	1,538,398
Franchise fees	1,489,968	1,403,790	1,465,139	1,578,689
Infrastructure maintenance contribution	-	-	-	-
Unrestricted investment earnings	5,415,548	1,553,297	4,467,829	4,230,879
Miscellaneous	506,337	1,673,068	1,091,220	641,283
Interfund charges	742,905	170,367	1,413,457	1,322,631
Gain/(loss) on sale of capital assets	(161,883)	(3,592,355)	-	-
Transfers	(22,962,552)	(375,744)	(1,126,044)	(4,361,507)
Total Government Activities:	<u>44,658,915</u>	<u>61,956,874</u>	<u>71,664,066</u>	<u>74,721,130</u>
Business-Type Activities:				
Unrestricted investment earnings	1,592,843	400,146	1,733,994	1,109,607
Equity interest in gain from joint ventures	1,845,928	947,195	-	1,918,111
Miscellaneous	-	371,475	1,477,956	598,693
Interfund charges	(742,905)	(170,367)	(1,413,457)	(1,322,631)
Gain/(loss) on sale of capital assets	(210,059)	(6,676)	-	-
Transfers	22,962,552	375,744	1,126,044	4,361,507
Total Business-Type Activities	<u>25,448,359</u>	<u>1,917,517</u>	<u>2,924,537</u>	<u>6,665,287</u>
Total Primary Government	<u>70,107,274</u>	<u>63,874,391</u>	<u>74,588,603</u>	<u>81,386,417</u>
Change in Net Assets				
Governmental Activities:	132,188,199	42,750,901	21,609,209	11,542,940
Business-Type Activities:	35,545,694	3,830,577	6,523,638	11,912,514
Total Primary Government	<u>\$ 167,733,893</u>	<u>\$ 46,581,478</u>	<u>\$ 28,132,847</u>	<u>\$ 23,455,454</u>

Fiscal Year Ended June 30

2007	2008	2009	2010	2011	2012
\$ (73,158,987)	\$ (63,427,052)	\$ (77,969,456)	\$ (86,711,680)	\$ (83,950,935)	\$ (66,763,874)
8,471,790	115,752	(2,014,484)	(11,069,597)	(8,762,897)	(7,466,504)
<u>(64,687,197)</u>	<u>(63,311,300)</u>	<u>(79,983,940)</u>	<u>(97,781,277)</u>	<u>(92,713,832)</u>	<u>(74,230,378)</u>
45,341,149	47,973,499	50,414,405	49,724,115	48,569,049	47,923,732
7,534,768	7,257,360	6,031,852	5,957,264	6,245,758	6,962,201
21,060,115	21,130,683	17,535,784	15,420,066	18,503,316	19,107,418
403,401	304,886	236,475	206,180	356,653	36,534
1,727,617	1,783,405	1,829,153	1,955,493	2,001,934	2,012,970
-	-	-	-	-	-
9,654,142	10,554,711	6,863,523	1,766,743	1,585,593	1,439,639
792,476	641,888	663,770	647,235	568,212	983,690
-	-	-	-	-	-
-	-	-	-	-	-
597,694	889,502	144,302	393,080	(622,606)	(3,443,695)
<u>87,111,362</u>	<u>90,535,934</u>	<u>83,719,264</u>	<u>76,070,176</u>	<u>77,207,909</u>	<u>75,022,489</u>
2,181,462	1,898,546	1,176,950	267,730	264,762	282,760
-	-	-	-	-	-
802,445	1,617,882	1,078,280	1,151,141	830,530	589,950
-	-	-	-	-	-
-	-	-	-	-	-
(597,694)	(889,502)	(144,302)	(393,080)	622,606	3,443,695
<u>2,386,213</u>	<u>2,626,926</u>	<u>2,110,928</u>	<u>1,025,791</u>	<u>1,717,898</u>	<u>4,316,405</u>
<u>89,497,575</u>	<u>93,162,860</u>	<u>85,830,192</u>	<u>77,095,967</u>	<u>78,925,807</u>	<u>79,338,894</u>
13,952,375	27,108,882	5,749,808	(10,641,503)	(6,743,027)	8,258,615
10,858,003	2,742,678	96,444	(10,043,806)	(7,044,999)	(3,150,099)
<u>\$ 24,810,378</u>	<u>\$ 29,851,560</u>	<u>\$ 5,846,252</u>	<u>\$ (20,685,309)</u>	<u>\$ (13,788,026)</u>	<u>\$ 5,108,516</u>

City of Pleasanton
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

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

	Fiscal Year Ended June 30	
	2011	2012
General Fund		
Nonspendable	\$ 168,033	\$ 218,658
Restricted	-	-
Committed	19,953,285	20,029,711
Assigned	2,000,000	2,000,000
Unassigned	3,207,664	3,083,456
Total General Fund	\$ 25,328,982	\$ 25,331,825
All Other Governmental Funds		
Nonspendable	\$ -	\$ -
Restricted	53,388,353	53,945,028
Committed	-	-
Assigned	22,584,906	22,174,209
Unassigned	-	-
Total All Other Governments Funds	\$ 75,973,259	\$ 76,119,237

NOTE: Per GASB 54, Fund Balance designations changed for reporting purposes effective June 30, 2011

Fiscal Year Ended June 30

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 1,360,798	\$ 643,256	\$ 1,756,537	\$ -
<u>24,713,932</u>	<u>24,807,190</u>	<u>23,694,199</u>	<u>25,282,385</u>
<u>\$ 26,074,730</u>	<u>\$ 25,450,446</u>	<u>\$ 25,450,736</u>	<u>\$ 25,282,385</u>
\$ 412,354	\$ 406,282	\$ 404,188	\$ 394,945
20,877,745	24,006,111	22,754,570	23,681,256
<u>64,812,331</u>	<u>70,880,985</u>	<u>57,965,409</u>	<u>52,325,470</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 Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30			
	2003	2004	2005	2006
Revenues:				
Taxes	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234
Special Assessments	677,416	187,775	195,654	215,035
Licenses	12,876	12,050	12,906	11,709
Permits	1,922,531	2,401,186	2,275,465	2,031,209
Fines and Forfeitures	562,417	689,309	630,864	575,524
Use of Money & Property	3,796,195	1,665,186	3,519,701	2,766,468
Intergovernmental	13,063,028	7,834,260	5,096,526	6,171,443
Franchises	1,489,967	1,403,790	1,465,139	1,578,689
Charges for Services	11,241,057	11,603,324	12,423,506	13,747,992
Development Fees	3,265,332	3,815,313	5,304,045	3,685,255
Plan Check fees	774,429	1,126,924	924,146	1,119,904
Reimbursements	888,428	1,729,241	1,520,518	1,786,422
Contributions and Donations	721,167	6,023,264	4,091,889	3,417,226
Other Revenues	5,598,430	7,841,159	3,622,421	3,520,069
Recreation Charges	2,766,415	2,999,640	3,068,010	3,318,406
	<u>102,912,106</u>	<u>107,883,681</u>	<u>108,144,201</u>	<u>113,170,585</u>
Expenditures:				
Current:				
General Government	10,285,596	9,176,425	9,333,247	10,279,430
Public Safety	34,566,762	35,673,629	39,983,855	43,826,861
Community Development *	3,482,879	5,484,984	3,611,279	7,560,598
Operations Services *	16,178,057	13,937,835	14,463,138	15,413,787
Community Activities	14,733,221	15,464,202	14,819,659	16,209,390
Capital Outlay	14,061,881	24,640,700	15,386,422	8,486,034
Debt Service:				
Principal	4,695,000	1,325,000	755,000	1,330,000
Interest & Fiscal Charges	1,417,582	1,395,072	1,524,714	1,239,890
Total Expenditures	<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>3,491,128</u>	<u>785,834</u>	<u>8,266,887</u>	<u>8,824,595</u>
Other Financing Sources (Uses):				
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)	-
Capital Lease	-	-	-	-
Transfers In	13,359,981	11,659,951	16,600,296	8,426,644
Transfers Out	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)
Total Other Financing Sources (Uses)	<u>5,487,871</u>	<u>451,872</u>	<u>(1,070,543)</u>	<u>(1,921,767)</u>
Net Change in Fund Balances	<u>8,978,999</u>	<u>1,237,706</u>	<u>7,196,344</u>	<u>6,902,828</u>
Fund Balances:				
Beginning of Year	85,345,734	94,324,733	95,562,439	102,758,783
Prior Period Adjustment	-	-	-	-
End of Year	<u>\$ 94,324,733</u>	<u>\$ 95,562,439</u>	<u>\$ 102,758,783</u>	<u>\$ 109,661,611</u>

Debt Service as a Percentage of Noncapital Expenditure	7.16%	3.30%	2.70%	2.68%
---	-------	-------	-------	-------

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

Fiscal Year Ended June 30

	2007	2008	2009	2010	2011	2012
\$	75,235,506	\$ 76,668,560	\$ 74,321,964	\$ 71,408,195	\$ 73,637,299	\$ 74,342,216
	190,362	196,784	194,311	203,798	202,642	198,710
	11,259	11,591	11,536	11,424	10,978	11,180
	1,950,100	1,701,275	974,211	852,900	1,453,709	1,775,254
	526,208	557,615	471,606	453,118	554,089	514,613
	5,926,569	6,306,432	3,840,218	1,211,827	1,201,627	1,169,435
	5,933,046	5,916,548	5,585,376	5,382,179	7,204,939	5,398,749
	1,727,617	1,783,405	1,829,153	1,955,493	2,001,935	2,012,970
	13,268,001	14,320,932	14,409,775	14,741,021	14,382,797	14,624,998
	3,824,811	6,403,102	4,747,036	1,646,586	3,104,570	3,822,464
	924,558	995,038	483,500	428,476	918,878	1,616,141
	2,147,204	2,043,745	2,142,775	2,368,673	1,387,642	1,525,030
	748,144	6,027,436	1,145,881	1,659,234	461,576	4,341,337
	3,313,780	3,836,587	3,707,092	3,053,264	3,061,797	3,326,512
	3,659,920	3,731,918	3,708,827	3,210,480	3,295,411	3,504,924
	<u>119,387,085</u>	<u>130,500,968</u>	<u>117,573,261</u>	<u>108,586,668</u>	<u>112,879,889</u>	<u>118,184,533</u>
	11,362,742	12,405,156	12,127,645	11,896,618	11,172,110	11,671,393
	47,626,223	50,030,665	50,354,468	51,761,407	50,091,867	52,128,400
	5,250,750	5,841,161	12,453,559	11,490,516	11,991,350	12,658,878
	15,780,590	15,791,053	8,006,599	8,130,826	14,377,543	14,109,244
	17,850,952	18,580,800	17,621,844	16,885,312	10,644,722	10,551,455
	16,521,137	18,073,711	30,476,317	12,720,830	9,199,072	10,123,534
	1,345,000	1,385,000	1,425,000	1,825,000	1,860,000	1,852,741
	1,204,063	1,167,388	1,129,603	1,091,998	1,053,120	1,009,993
	<u>116,941,457</u>	<u>123,274,934</u>	<u>133,595,035</u>	<u>115,802,507</u>	<u>110,389,784</u>	<u>114,105,638</u>
	2,445,628	7,226,034	(16,021,774)	(7,215,839)	2,490,105	4,078,895
	-	-	-	-	-	-
	-	227,487	20,000	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	102,372
	17,317,214	11,085,480	11,193,907	6,702,172	5,610,956	10,172,452
	(16,429,835)	(9,972,337)	(9,361,054)	(4,377,180)	(8,482,876)	(14,204,898)
	<u>887,379</u>	<u>1,340,630</u>	<u>1,852,853</u>	<u>2,324,992</u>	<u>(2,871,920)</u>	<u>(3,930,074)</u>
	3,333,007	8,566,664	(14,168,921)	(4,890,847)	(381,815)	148,821
	109,661,611	112,177,160	120,743,824	106,574,903	101,684,056	101,302,241
	(817,458)	-	-	-	-	-
\$	<u>112,177,160</u>	<u>120,743,824</u>	<u>106,574,903</u>	<u>101,684,056</u>	<u>101,302,241</u>	<u>101,451,062</u>
	2.54%	2.43%	2.48%	2.83%	2.88%	2.75%

This page intentionally left blank.

Revenue Capacity Information

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

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

Principal Property Tax Payers - Current Year & Ten Years Ago

Property Tax Levies and Collections - Last Ten Fiscal Years

This page intentionally left blank.

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

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value	Total Direct Tax Rate
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%
2011	16,118,033,742	1,583,493	624,006,570	16,743,623,805	0.334%
2012	16,310,521,666	1,583,493	610,478,023	16,922,583,182	0.331%

Source: Alameda County Office of the Auditor-Controller

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

	<u>Fiscal Year Ended June 30</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
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	0.0759	0.0726	0.0935	0.0854
Community College District	0.0000	0.0000	0.0186	0.0158
Flood Zone 7	0.0158	0.0145	0.0114	0.0130
Bay Area Rapid Transit District	0.0000	0.0000	0.0000	0.0048
East Bay Regional Park District	0.0065	0.0057	0.0057	0.0057
Total	<u>1.0982</u>	<u>1.0928</u>	<u>1.1292</u>	<u>1.1247</u>

Note: Rates are percentage of total assessed value

Source: Alameda County Office of the Auditor-Controller

Fiscal Year Ended June 30					
2007	2008	2009	2010	2011	2012
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0721	0.0756	0.0777	0.0809	0.0891	0.0908
0.0159	0.0164	0.0183	0.0195	0.0211	0.0214
0.0151	0.0150	0.0169	0.0203	0.0250	0.0307
0.0050	0.0076	0.0090	0.0057	0.0031	0.0041
0.0085	0.0080	0.0100	0.0108	0.0084	0.0071
<u>1.1166</u>	<u>1.1226</u>	<u>1.1319</u>	<u>1.1372</u>	<u>1.1467</u>	<u>1.1541</u>

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

2012			2002		
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	\$ 241,395,587	1.49%	WB Bernal LLC	\$ 185,320,078	1.70%
Stoneridge Properties	232,441,267	1.43%	Stoneridge Properties	192,101,481	1.76%
Pleasant Property LLC	210,458,543	1.30%	PeopleSoft Properties Inc.	144,289,242	1.32%
6200 Stoneridge Mall Road Investors	184,543,200	1.14%	Carr Realty Corporation	125,264,913	1.15%
Applera Corporation	135,061,960	0.83%	National Office Partners LP	96,355,480	0.88%
Safeway, Inc	129,843,315	0.80%	PeopleSoft Inc.	91,909,388	0.84%
Stoneridge Residential LLC	129,057,931	0.80%	Clorox Services Company	84,824,377	0.78%
PeopleSoft Properties	121,023,815	0.75%	Safeway Inc.	83,383,648	0.76%
Boehringer Mannheim Corporation	110,222,088	0.68%	Security Capital Pacific Trust	83,225,298	0.76%
Tishman Speyer Archstone Smith	103,628,560	0.64%	Excel Realty Trust Inc.	74,521,353	0.68%
	<u>\$ 1,597,676,266</u>	<u>9.84%</u>		<u>\$ 1,161,195,258</u>	<u>10.63%</u>

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of Levy		Delinquent Tax Collections
		Amount	Percent of Levy	
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	50,776,973	95.41%	2,281,671
2011	52,430,338	51,798,923	98.80%	1,515,544
2012	52,910,059	52,215,414	98.69%	1,445,750

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

This page intentionally left blank.

Debt Capacity Information

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years

Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years

Direct and Overlapping Debt - Year Ended June 30, 2012

Legal Debt Margin Information - Last Ten Fiscal Years

Pledged-Revenue Coverage - Last Ten Fiscal Years

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

Fiscal Year Ended June 30	Governmental Activities			
	General Obligation Bonds	Certificates of Participation	Notes, Capital Lease & Mortgage Payable	Total Governmental Activities
2003	\$ -	\$ 34,180,000	\$ -	\$ 34,180,000
2004	-	33,360,000	-	33,360,000
2005	-	31,890,000	75,000	31,965,000
2006	-	30,560,000	1,595,000	32,155,000
2007	-	29,215,000	1,595,000	30,810,000
2008	-	27,830,000	1,822,487	29,652,487
2009	-	26,405,000	5,242,487	31,647,487
2010	-	25,110,000	4,712,487	29,822,487
2011	-	23,780,000	2,682,487	26,462,487
2012	-	22,405,000	2,307,117	24,712,117

Business-Type Activities						
Sewer Revenue Bonds	Water Revenue Bonds	Notes Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$ 4,120,930	\$ 4,970,738	\$ 473,239	\$ -	\$ 43,744,907	1.4%	\$ 663.19
3,609,968	4,368,019	438,318	-	41,776,305	1.3%	625.51
3,660,000	3,595,000	401,173	697,844	40,319,017	1.1%	601.34
3,120,000	2,945,000	361,499	567,545	39,149,044	1.0%	581.53
2,575,000	2,300,000	319,204	448,682	36,452,886	0.9%	537.07
2,010,000	1,645,000	274,117	296,531	33,878,135	0.8%	494.09
1,415,000	975,000	226,105	149,158	34,412,750	0.9%	495.95
840,000	825,000	174,875	-	31,662,362	0.9%	451.38
685,000	-	120,263	316,939	27,584,689	0.7%	390.10
520,000	-	-	502,508	25,734,625	N/A	394.98

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
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
2011	0	0	0	0.000%	0
2012	0	0	0	0.000%	0

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2012

2011/12 Net Assessed Valuation \$16,922,583,182

	Percentage Applicable (1)	Outstanding Debt 06/30/12	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	3.864%	\$412,540,000	\$ 15,940,546
Chabot-Las Positas Community College District	21.822%	445,918,869	97,308,416
Dublin Joint Unified School District	0.008%	191,968,132	15,357
Livermore Valley Joint Unified School District	2.079%	97,990,000	2,037,212
Pleasanton Unified School District	97.227%	76,884,429	74,752,424
Sunol Glen Unified School District	0.001%	1,044,789	10
East Bay Regional Park District	6.003%	129,525,000	7,775,386
Total Overlapping Tax and Assessment Debt:			\$ 197,829,351

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.17%

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	9.980%	\$669,510,500	\$ 66,817,148
Alameda County Pension Obligations	9.980%	131,540,555	13,127,747
Chabot-Las Positas Community College District Certificates of Participation	21.822%	4,320,000	942,710
Pleasanton Unified School District Certificates of Participation	97.227%	17,510,000	17,024,448
City of Pleasanton Certificates of Participation, Notes, and Capital Lease	100.000%	24,712,118	24,712,118
Total Direct and Overlapping General Fund Debt:			122,624,171
Combined Total Debt			\$ 320,453,522 (2)

Total Direct Debt \$ 24,712,118

Total Overlapping Debt 295,741,404

Combined Total Debt \$ 320,453,522

(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 (\$24,712,118) 0.15%

Combined Total Debt 1.89%

State School Building Aid Repayable as of 06/30/11: \$ 0

AB:(\$425)

Sources: California Municipal Statistics, Inc., Alameda County Office of the Auditor-Controller, City of Pleasanton Department of Finance.

City of Pleasanton
Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2003	2004	2005	2006
Net Assessed Valuation	\$ 11,690,064,726	\$ 12,472,001,447	\$ 13,208,821,529	\$ 14,196,139,713
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%
Adjusted Assessed Valuation	2,922,516,182	3,118,000,362	3,302,205,382	3,549,034,928
Debt Limit Percentage	15%	15%	15%	15%
Legal Debt Limit	<u>438,377,427</u>	<u>467,700,054</u>	<u>495,330,807</u>	<u>532,355,239</u>
Amount of Debt Subject to Limit	505,000	-	-	-
Legal Debt Margin	<u>\$ 437,872,427</u>	<u>\$ 467,700,054</u>	<u>\$ 495,330,807</u>	<u>\$ 532,355,239</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.12%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30					
2007	2008	2009	2010	2011	2012
\$ 15,455,940,826	\$ 16,520,291,133	\$ 17,372,924,460	\$ 17,288,705,467	\$ 16,743,623,805	\$ 16,922,583,182
25%	25%	25%	25%	25%	25%
3,863,985,207	4,130,072,783	4,343,231,115	4,322,176,367	4,185,905,951	4,230,645,796
15%	15%	15%	15%	15%	15%
<u>579,597,781</u>	<u>619,510,917</u>	<u>651,484,667</u>	<u>648,326,455</u>	<u>627,885,893</u>	<u>634,596,869</u>
-	-	-	-	-	-
<u>\$ 579,597,781</u>	<u>\$ 619,510,917</u>	<u>\$ 651,484,667</u>	<u>\$ 648,326,455</u>	<u>\$ 627,885,893</u>	<u>\$ 634,596,869</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Pleasanton
Pledged-Revenue Coverage for the Sewer Fund
Last Ten Fiscal Years

Sewer Revenue Bonds

Fiscal Year Ended June 30	Sewer Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2003	\$ 11,331,746	\$ 9,308,075	\$ 2,023,671	\$ 436,156	\$ 183,963	\$ 620,119	3.26
2004	11,276,659	9,288,015	1,988,644	505,018	152,830	657,848	3.02
2005	11,317,202	9,399,929	1,917,273	473,020	190,028	663,048	2.89
2006	11,312,597	9,698,298	1,614,299	540,000	102,472	642,472	2.51
2007	11,681,865	10,048,466	1,633,399	545,000	88,744	633,744	2.58
2008	11,813,279	10,029,648	1,783,631	565,000	73,500	638,500	2.79
2009	10,944,451	9,605,229	1,339,222	595,000	56,434	651,434	2.06
2010	10,949,878	9,500,116	1,449,762	575,000	37,163	612,163	2.37
2011	11,360,283	9,602,747	1,757,536	155,000	24,638	179,638	9.78
2012	12,636,013	10,804,143	1,831,870	165,000	19,838	184,838	9.91

Note: Revenue and expenditure totals differ from totals in the financial statements because bond rate covenants include and exclude various line item amounts (e.g. depreciation and General Fund interfund transfer that was subordinate to the payment of Bonds).

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Fiscal Years

Principal Employers - Current Year and Five Years Ago

City Employees by Function - Last Ten Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population As of 1/1 (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
02/03	66,788	\$ 3,206,276,673	\$ 46,612	3.3%
03/04	67,049	3,314,652,042	49,436	2.9%
04/05	67,321	3,518,132,000	52,259	2.5%
05/06	67,873	3,865,229,000	56,948	2.2%
06/07	68,567	4,205,545,000	61,335	2.3%
07/08	69,388	4,427,598,000	63,809	3.1%
08/09	70,145	3,913,652,000	55,794	5.4%
09/10	70,711	3,629,630,000	51,330	5.8%
10/11	71,534	4,060,644,000	56,765	5.5%
11/12	71,892	N/A	N/A	4.8%

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

- Sources:**
- (1) California Department of Finance, Demographic Research
 - (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 Ten Years Ago

Employer	2012		Employer	2002	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Kaiser Permanente	4,255	7.96%	PeopleSoft*	3,500	6.06%
Safeway Inc.*	3,300	6.17%	Providian Financial	1,800	3.11%
Oracle	1,488	2.78%	A T & T	1,660	2.87%
Pleasanton Unified School Distict*	1,114	2.08%	Pleasanton Unified School Distict*	1,240	2.15%
Valley Care Medical Center*	1,075	2.01%	Valley Care Medical Center*	1,135	1.96%
Workday Inc.*	970	1.81%	Robert Half International*	1,110	1.92%
Ross Dress for Less Inc.	678	1.27%	Safeway*	1,100	1.90%
State Fund Compensation Ins.	650	1.22%	Pro Business	900	1.56%
Macy's	616	1.15%	Farmer's Insurance	700	1.21%
EMC Corporation	566	1.06%	Kaiser Permanente	744	1.29%
Hendrick Automotive (Auto Mall)	478	0.89%	Commerce One	739	1.28%
Thoratec Corporation*	470	0.88%	Macy's	678	1.17%
City of Pleasanton* ⁽¹⁾	457	0.85%	City of Pleasanton*	550	0.95%
Roche Molecular Systems Inc.	441	0.83%	Cingular	510	0.88%
Blackhawk Network	414	0.77%	Documentum*	490	0.85%

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

Sources: City of Pleasanton Economic Development Department

⁽¹⁾ Includes City of Livermore fire personnel in Livermore Pleasanton Joint Powers Authority.

* Headquarters

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

Function	<u>Full-Time, Part-Time and Limited Term Employees as of June 30</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government (1)	44	44	44	44	45	45	46	45	41	38
Public Safety (2)	182	182	182	185	187	186	186	184	181	178
Community Development (3)	18	18	18	20	20	22	59	51	50	51
Public Works - Admin, Engr, Bldg (3)	38	38	38	38	38	40	-	-	-	-
Public Works - Field, Streets, Support (4)	38	38	38	38	37	36	-	-	-	-
Operations Services (4) (5)	-	-	-	-	-	-	35	36	63	61
Community Activities (5)	85	85	85	85	85	85	83	79	44	46
Utilities	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>40</u>	<u>39</u>	<u>36</u>	<u>36</u>
Total	<u><u>440</u></u>	<u><u>440</u></u>	<u><u>440</u></u>	<u><u>445</u></u>	<u><u>447</u></u>	<u><u>449</u></u>	<u><u>449</u></u>	<u><u>434</u></u>	<u><u>415</u></u>	<u><u>410</u></u>

In 2011 Business License was transferred from Finance (General Government) to Economic Development (Community Development).

Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department (LPFD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LPFD.

In 2009 Public Works Administration, Engineering & Inspection and Building & Safety transferred to Community Development.

In 2009 Public Works Field Services, Streets and Support Services transferred to Operations Services.

In 2011 Parks Division was transferred from Community Activities to Operations Services.

Source: City of Pleasanton Budget

Operating Information

Operating Indicators by Function - Last Ten Fiscal Years

Capital Asset Statistics by Function - Last Ten Fiscal Years

City of Pleasanton
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2003	2004	2005	2006
Police:				
Arrests	3,000	2,450	2,401	2,281
Parking Citations Issued	1,712	1,866	1,398	1,285
Administrative Citations Issued	84	210	99	181
Fire:				
Number of Responses (Pleasanton only)	4,011	4,055	4,256	4,547
Number of Inspections (Pleasanton only)	1,003	923	1,181	1,465
Library:				
Annual Circulation	969,833	969,483	1,047,607	1,109,541
Gate Count (# of people thru the doors)	467,867	467,696	465,978	459,138
Economic Development:				
Business Licenses Issued	8,272	9,362	10,529	10,933
Parks & Community Services:				
Paratransit Trips	23,717	24,867	22,898	20,974
Golf Rounds Played	0	0	0	45,229
Aquatics Youth Programs (No. of Participants)	8,235	16,523	17,364	16,002
Youth Sports, Camps, Classes and Leagues (No. of Participants)	6,556	5,639	7,039	9,299
Amador Theater & Firehouse Arts Center (No. of Patrons)	69,200	70,400	70,195	66,354
Operations Services:				
Streets Resurfacing (miles)	12.0	13.0	11.0	10.0
Utility Bills Generated	123,750	128,172	128,256	128,838
New Water Connections	204	283	279	180
Gallons Delivered (in million gallons/day)	15.8 mgd	17.4 mgd	15.1 mgd	16.4 mgd
New Sewer Connections	213	325	258	201

Fiscal Year Ended June 30

2007	2008	2009	2010	2011	2012
2,414	2,563	2,772	2,970	3,283	2,675
1,175	1,019	911	1,133	1,634	1,263
129	150	92	108	144	105
4,886	5,129	5,007	4,952	4,146	4,342
1,701	1,604	1,269	861	988	1,194
1,237,543	1,303,995	1,433,876	1,475,666	1,465,716	1,438,609
472,633	498,614	530,738	552,779	562,757	561,351
9,206	9,368	8,783	9,067	8,534	9,147
19,122	18,656	22,122	20,393	17,506	15,499
73,365	72,092	68,294	63,591	58,559	58,272
16,838	17,756	21,185	21,982	23,907	25,494
11,755	12,782	12,683	13,400	13,580	22,480
70,900	42,500	50,100	28,380	43,048	51,096
10.0	9.0	9.0	6.0	11.5	12.0
131,027	131,290	131,500	134,651	132,141	126,104
113	52	21	26	44	51
16.2 mgd	16.0 mgd	15.0 mgd	14.1 mgd	11.4 mgd	13.4 mgd
185	65	24	26	82	49

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

	Fiscal Year Ended June 30			
	2003	2004	2005	2006
Police:				
Stations	1	1	1	1
Fire:				
Stations (Pleasanton only)	4	5	5	5
Library:				
Branches	1	1	1	1
Parks & Community Services:				
Acres of Parks Maintained	338	351	378	378
Municipal Golf Courses	0	0	0	1
Aquatic Centers	1	1	1	1
Senior Centers	1	1	1	1
Operations Services:				
Streets (miles)	189	194	194	198
Streetlights	5,136	5,208	5,209	5,311
Traffic Signals	79	80	86	87
Water:				
Water mains (miles)	306	310	313	314
Pumping Capacity (gallons/day)	35.9M	35.9M	37.0 M	37.0M
Wastewater:				
Sanitary Sewers (miles)	241	245	248	249
Storm Sewers (miles)	176	179	182	183

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

Fiscal Year Ended June 30

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
378	385	385	385	385	385
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
206	206	206	206	206	206
5,320	5,379	5,992	6,007	6,007	6,007
92	93	93	93	93	95
318	318	320	320	321	324
37.0M	37.0M	37.0M	32.0M	30.0M	31.0M
253	253	255	255	255	257
188	188	191	192	192	194

This page intentionally left blank