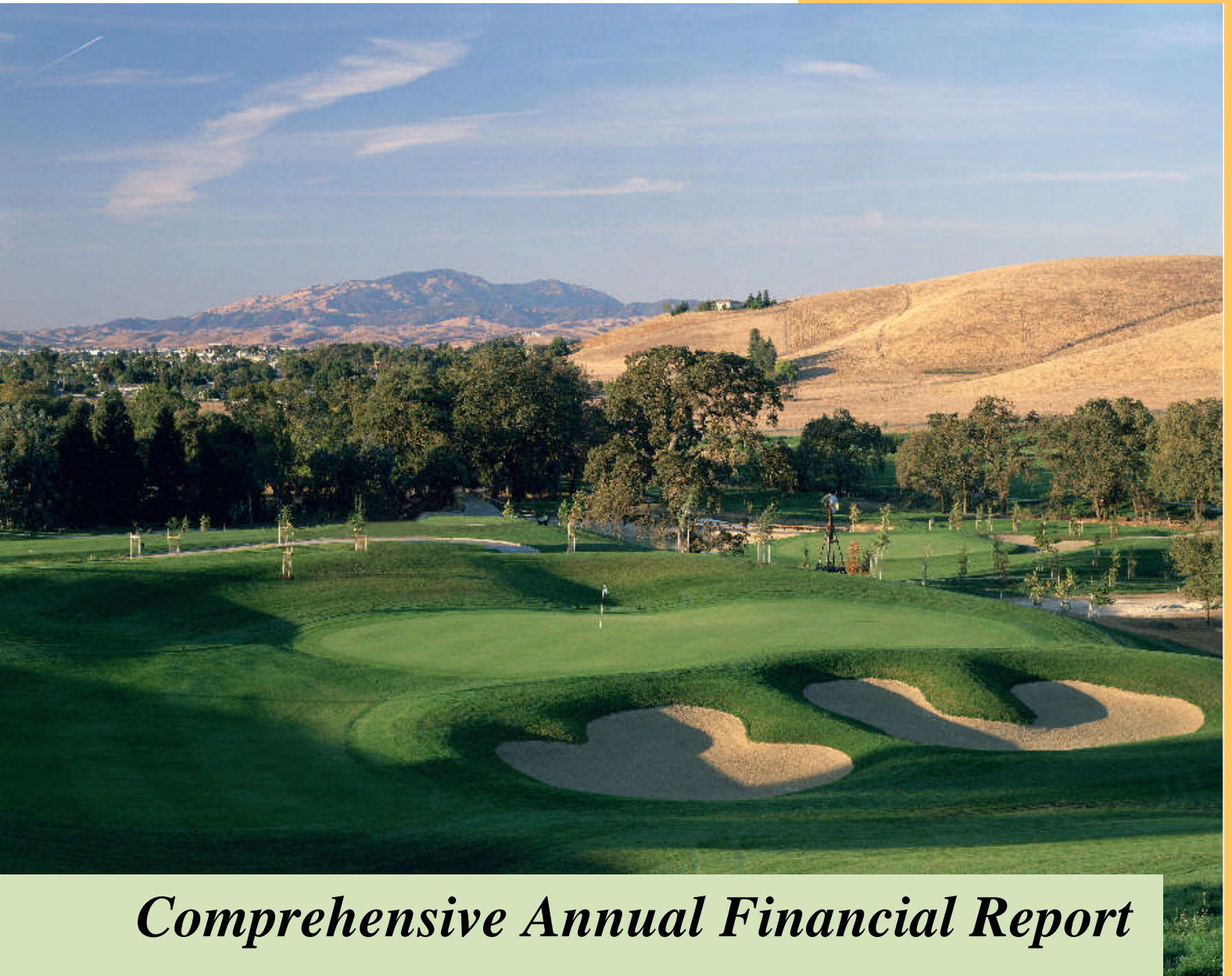


# **CITY OF PLEASANTON**

## **California**



***Comprehensive Annual Financial Report***

***For the year ended June 30, 2013***

# City of Pleasanton

Pleasanton, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2013*

*Prepared by the Finance Department*

# City of Pleasanton

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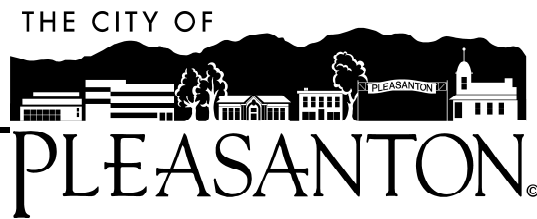
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To the Honorable Mayor, Members of the City Council  
and Citizens of the City of Pleasanton:

December 31, 2013

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2013. 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, 2013.

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, 2013, 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, 2013, 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 71,871. 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 (PJPPFA) as component units. The Housing Authority and the PJPPFA 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 PJPPFA is blended with the City's financial information.

The biennial budget serves as the foundation for the City of Pleasanton's financial planning and control. The budget process begins in January in odd numbered years with each department receiving a budget packet. The City Manager meets with each department director to discuss 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 53,454 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 2013, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at \$121,087.

### Commercial Office Activity

Overall, 2012 through the first half of 2013 was positive for the Pleasanton commercial office market. As of the end of the second quarter 2013, the office vacancy rate was 11.8% as compared to 16.3% at the same time one year ago and 17.9% two years prior. At the same time, Pleasanton Class A office space continues to increase rent rates year-over-year from \$2.03 (per square foot for full service) in the second quarter 2012 to \$2.17 in the second quarter 2013. This is approaching the highest level of rent rates experienced in the fourth quarter of 2007. As well, net absorption of vacant space for the Class A market remains steady with approximately 30,000 square feet being absorbed year-to-date; demonstrating the market's increasing occupancy. Of importance in the Pleasanton market, the California Center recently completed transactions with Farmers Insurance for a 50,000 square foot renewal and Gap Inc. for a 35,000 square foot direct new lease in late 2012, and is poised to execute a lease with Zenith for roughly 45,000 square feet later in 2013.

Meanwhile, Pleasanton's Class B office space is benefiting from the increasing rent for the Class A product, currently posting an average rent rate of \$1.76 (per square foot for full service) as of the second quarter 2013, up from \$1.68 at the same time last year. This is a continuing trend and bodes well for Class B Pleasanton office which is posting positive net absorption of approximately 20,000 square feet as tenants who moved to Class A from Class B over the past four years in a flight to quality, are now seeing the value in Class B rents. One notable Class B office transaction during the recent second quarter was Spigit (Innovation Management), who relocated from Downtown Pleasanton to expand and stay in Pleasanton by taking the 27,000 square foot second floor at 4750 Willow Road in Hacienda Business Park. Additionally, T&V Holdings, Inc. acquired the approximate 43,000 square foot Diablo Center West located at 4141 Hacienda Drive.

As further evidence of the measured return to a healthy economy, the Pleasanton commercial real estate market had several significant investment sales close during the past four quarters, including a 77,000 square foot multi-tenant office/office flex project in Valley Business Park by Balch Enterprise due to close in the third quarter 2013; Summerhill Homes' purchase of Amador Three from Cannae Partners with a plan to replace the vacant 83,464 square foot R&D building with residential development on the near six acre site; and sale of the 171,009 square foot, Class A Stoneridge Tower office building to Westmar.

The Stoneridge mall area further continues to develop as a robust commercial hub in Pleasanton, with employers noting the Bay Area Rapid Transit (BART) station and direct access to Interstates 580 and 680, as well as adjacency to Stoneridge Shopping Center, as value-added amenities to the area's office space offerings. Among the most noteworthy and largest transactions was NPC Holdings LLC's (a wholly owned affiliate of David Duffield) acquisition of the five-building, 559,820 square foot, Class A office complex Stoneridge Corporate Plaza from Metropolitan Life Insurance Company, to be the permanent home of Duffield's growing Workday Inc. With need to accommodate its rapidly growing workforce, Workday anticipates that it will add a sixth building to the complex to house several thousand workers within the next five years.

Positive activity was demonstrated throughout all of Pleasanton's commercial districts with a diversity of companies making significant lease deals: employment agency Bayside Solutions took 17,296 square feet, home builder D. R. Horton leased 12,377 square feet of Class A space, Greg Jeffries Sports Academy opened in 12,326 square feet of Class B space, and accountancy firm Sensiba San Filippo relocated from San Jose into 10,935 square feet on Hopyard Road. Within Hacienda Business Park the positive trend continued: grocery retailer Safeway leased 29,011 square feet, online heavy equipment auction facilitator Iron Planet leased 19,646 square feet, field service management software firm ServiceMax took 17,451 square feet, and fitness center ClubOne opened in 16,495 square feet. Affirming commitment to the Pleasanton market medical device developer Neotract renewed its 15,911 square feet as did builder Standard Pacific its 11,255 square feet and BFK Engineers its 12,083 square feet. These healthy mid-sized transactions accompanied by a number of deals for less than 10,000 square feet, all helped to further decrease the vacancy rate and show the strength of Pleasanton's commercial environment.

The acquisition of the former Clorox Tech Center (vacated as Clorox developed its new Pleasanton campus on Clorox Way and Johnson Drive) by Nearon Enterprises was another notable investment transaction for the second quarter of 2013. Nearon is currently developing its plans for the nine-building, 415,582 square foot office/R&D campus, indicating that possible users will be identified in late 2013/early 2014.

### Retail Activity

Throughout 2013, Pleasanton has continued to see strong demand in its retail marketplace. With an inventory of more than 2 million square feet of retail space, the current citywide retail vacancy rate is below 7%, down nearly 2% from the end of 2012. One particularly exciting new tenant is the 17,000 square foot organic grocer New Leaf Community Market which moved into a long-time vacant space in the Vintage Hills Shopping Center offering a much desired amenity for residents in the nearby neighborhoods.

The current retail vacancy rate in downtown Pleasanton is around 5% with several spaces being held open by the property owner to reposition the tenant mix and pending lease negotiations on others. Purchase of downtown properties for private redevelopment of additional retail space is highly desirable with multiple parties interested in individual properties.

The Pleasanton Gateway shopping center that opened last year on Bernal Avenue at Interstate 680 saw great success in 2013 as the 130,000 square foot retail center, anchored by a 58,000 square foot lifestyle Safeway grocery store and fuel station, is now fully leased. Capitalizing on this demand and opportunities to attract tenants, other retail centers in Pleasanton were repositioned by property managers/owners. Brixmor, the owner of the Rose Pavilion shopping center, continues to add new tenants currently reporting vacancy of about 13,300 square feet of the center's total 293,000 square feet. At the Stoneridge Shopping Center Simon Property Group brought in several new stores, including national retailers Loft, Pink, White House/Black Market and Pandora and has announced that Lululemon Athletica will join the roster in late 2013. Finally, Simon Properties and the City executed a five-year renewal of the development agreement by which the mall has approval for an additional 205,000 square feet of expansion.

### Other Business Development

Phase I of Stoneridge Creek, an 870-unit senior housing and intermediary care facility developed by Continuing Life Communities on the Staples Ranch property at El Charro Road and Interstate 580 was completed in 2013. Phase I includes amenities such as a clubhouse, bocce courts, woodshop, movie theater, and dining facilities. Given strong demand for the project, phase II is under construction. 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.

Meanwhile, several other housing projects are currently in the city's development review process, including Pleasanton Gateway located south of the new Safeway shopping center at Bernal Avenue near I-680. This project will feature 210 multifamily units and 88 single family units. The development site at Bernal, Valley and Stanley (where a second Home Depot was once considered) will contain 345 multifamily units and 38,000 square feet of neighborhood retail space. Another housing project is planned in Hacienda Business Park, near Stoneridge Drive and West Las Positas Boulevard. Plans for it include 168 multifamily units. The California Center site (formerly known as Carr America) in Hacienda Business Park will house the Residences at California Center with 205 multifamily units, and 7,500 square feet of neighborhood retail.

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 first major renovation of the Dolores Bengtson Aquatic Center was completed in 2013. The facility was constructed in the early 1970's and included a 25-meter pool, training pool and bath house. As part of the renovation, the existing 25-meter pool was re-designed into an "L" shape to include the diving pool, two pools were replastered, both pools now feature ADA access, the 25-meter pool was deepened for future and potential competitive use, and new plumbing, heating, electrical and filtration systems were installed in the pools. The total cost of the renovation of the facility was \$3.7 million.

Several roadway projects were completed in 2013 that will impact residents positively in the years to come. Perhaps the most long awaited was the Stoneridge Drive extension. The construction of Stoneridge Drive to El Charro Road features two parallel bridges across the Arroyo Mocho, one each for eastbound and westbound traffic. Additional traffic improvements included new traffic signals at several intersections along Stoneridge Drive, construction of a sound wall, overlay of noise attenuating pavement, and a reconfiguration of the intersection at Santa Rita Road and Stoneridge Drive. A neighborhood park was also constructed with two tennis courts, a grass field and a walking path in this area.

East Pleasanton, is now under review by the East Pleasanton Specific Plan Task Force, a panel appointed to guide the planning effort for a 1,000-acre area which was formerly the site of sand and gravel mining. The task force has presented a draft Vision Statement for the region that includes preserving scenic views, assessing school needs, preserving open space, and designing a circulation system to serve cars, bicycles, and pedestrians. Next up, the group will assess the amount and type of development to determine a good balance between housing, commercial, industrial, and open space and parks.

## **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. In May 2013, the City Council authorized the pay-off in advance of maturity of the outstanding 2003 Golf Course Certificates of Participation in the amount of \$20.65 million. As a result of this, a significant amount of reserves in the General Fund were used for this purpose. Therefore, General Fund reserves have been reduced from \$23 million to \$13 million. The savings to the City from not having to make interest payments for the next eighteen years is \$10.7 million. As a result of these savings the City plans to restore its reserves to \$20 million over the next ten years.

The City continues to maintain a 10% reserve for economic uncertainties in the General Fund, currently totaling \$9.2 million at June 30, 2013. Also at June 30, 2013, the City had \$3.8 million in unassigned reserves for total General Fund Reserves of \$13 million. The City also has \$79.5 million in capital project reserves set aside for future projects, and \$22.5 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 \$27.7 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 for stabilization of services, 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, 2012. This was the sixteenth 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, Diane Punzo and Charly Yang who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Juan Gomez, 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

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Government Finance Officers Association

**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, 2012**

Executive Director/CEO

**CITY OF PLEASANTON**

**LISTING OF PUBLIC OFFICIALS  
AS OF JUNE 30, 2013**

**ELECTED OFFICIALS:**

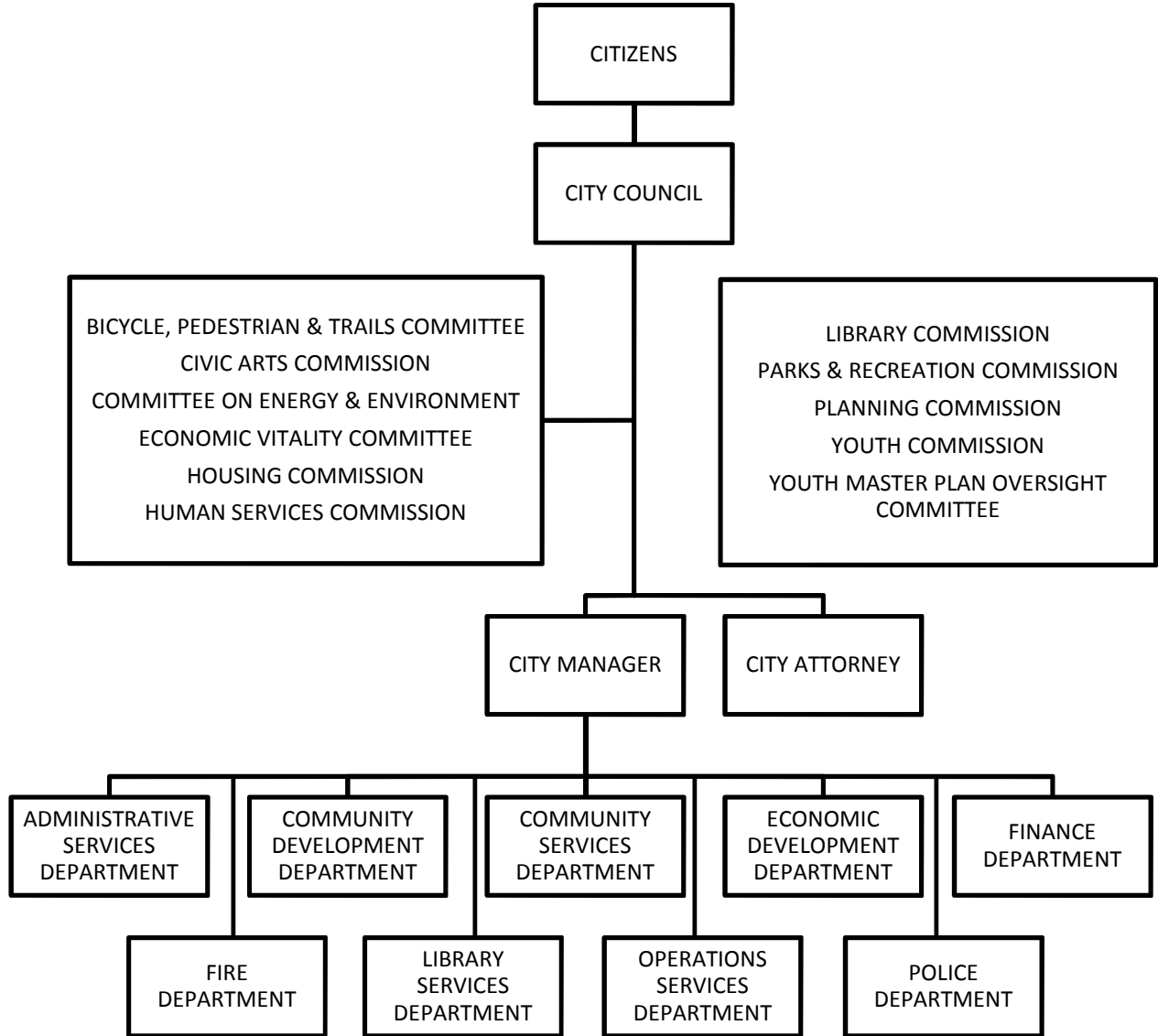
Mayor	Jerry Thorne
Vice Mayor	Cheryl Cook-Kallio
Council Member	Karla Brown
Council Member	Kathy Narum
Council Member	Jerry Pentin

**ADMINISTRATIVE PERSONNEL:**

City Manager	Nelson Fialho
City Attorney	Jonathan Lowell
Assistant City Manager	Steven Bocian
Assistant City Manager	Julie Yuan-Miu
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

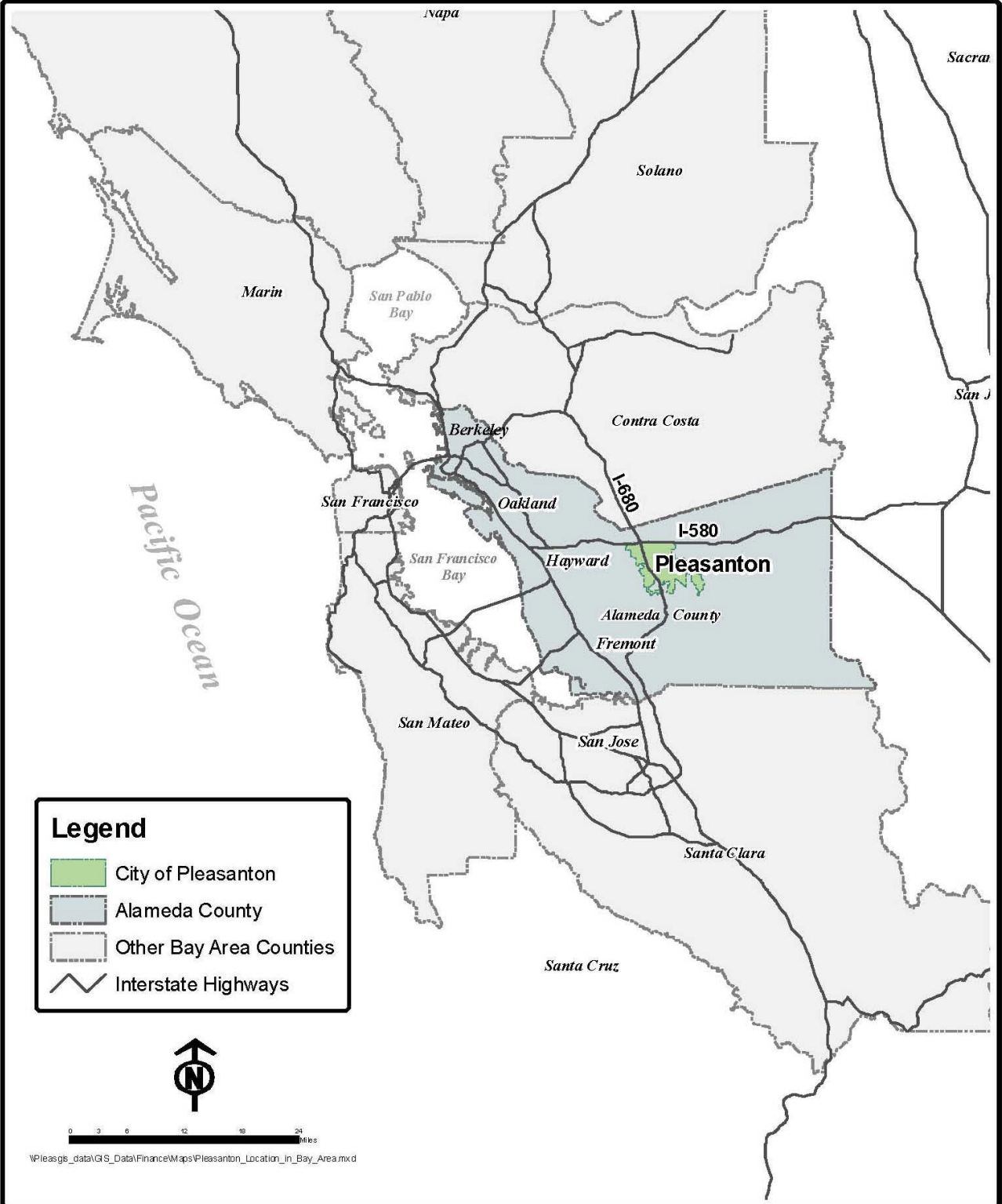
CITY OF PLEASANTON

Organization Chart as of June 30, 2013





# Pleasanton, California.



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

VALUE THE DIFFERENCE

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Callippe Preserve Golf Course, that is reported as part of the Golf Enterprise fund which represents .3 percent, (.1) percent, and 10 percent, respectively, of the assets, net position, and revenues of the City's business-type activity. Those statements were audited by other auditors, whose unmodified report dated August 26, 2013, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Golf Enterprise fund, is based solely on the report of the other auditors. We did not audit the financial statements of the Livermore-Amador Valley Waste Management Agency, for which the investment in joint venture was derived, which represents 4.3 percent, 4.4 percent, and 1.3 percent, respectively, of the assets, net position, and revenues of the City's business-type activity. Those statements were audited by other auditors, whose unmodified report dated September 25, 2013, have been furnished to us, and our opinion, insofar as it relates to the amounts included for the investment in joint venture, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based on our audit and the reports of other auditors, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of July 1, 2012. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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 schedules 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, 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* in considering the City's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California  
December 31, 2013

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2013 (2012/13FY). 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 \$857.7 million (net position). Of this amount, \$130.4 million (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$59.4 million is restricted for specific purposes (restricted net position), and \$667.9 million is the net investment in capital assets.
- The City's total net position decreased by \$14.7 million during the fiscal year, a 1.7% decrease. Of this amount, a decrease of \$8.2 million in net position was attributable to governmental activities, a 1.3% decrease, and a decrease of \$6.5 million in net position was due to business-type activities, a 2.7% decrease.
- The City's governmental funds reported ending fund balances of \$88.2 million, a decrease of \$13.3 million (13.1%) in comparison with the prior fiscal year ending June 30, 2012 (2011/12FY).
  - The 2012/13FY activity included the payoff of the 2003 Certificates of Participation (2003 COPs) of \$20.7 million and related interest of \$0.2 million. Payoff of the 2003 COPs in advance of their maturity (October 1, 2032) resulted in an interest cost savings to the City of approximately \$10.7 million.
- The General Fund unrestricted fund balance is \$12.9 million, of which \$9.2 million is committed for economic uncertainties and \$3.7 million is nonspendable or unassigned.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditors' 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 Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 2011/12FY and the 2012/13FY. The Statement of Net Position for the two years will be discussed first, followed by a discussion of the Changes in Net Position for the two years.

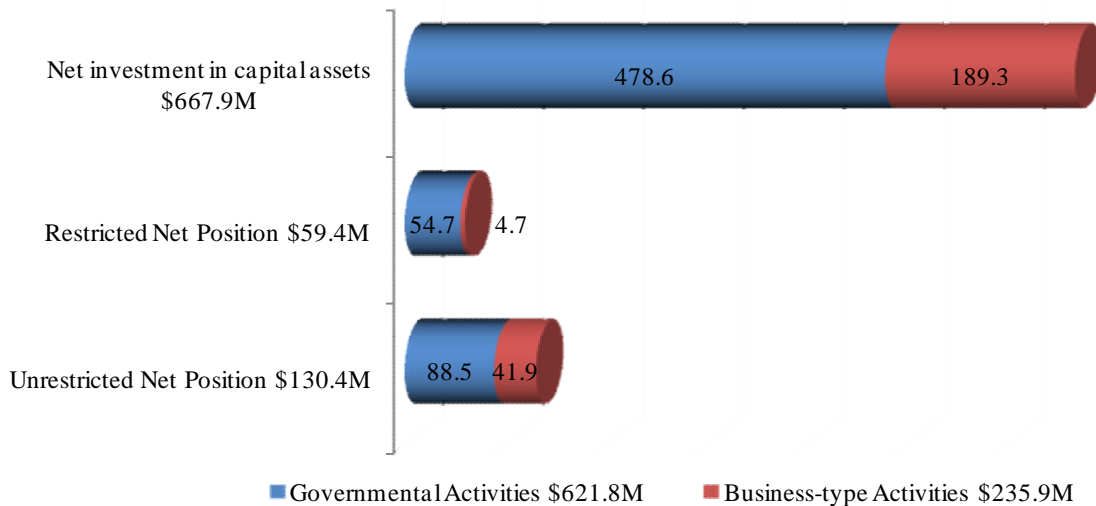


The following table is a summary of the Statement of Net Position as of June 30, 2012 (2012) and June 30, 2013 (2013):

**City of Pleasanton  
Net Position (in millions of dollars)**

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2012	2013	2012	2013	2012	2013	2012 to 2013
Assets:							
Current and other assets	\$190.0	\$164.1	\$49.9	\$51.5	\$239.9	\$215.6	-10.1%
Capital assets	484.3	481.2	197.8	190.0	682.1	671.2	-1.6%
Total assets	<b>674.3</b>	<b>645.3</b>	<b>247.7</b>	<b>241.5</b>	<b>922.0</b>	<b>886.8</b>	<b>-3.8%</b>
Liabilities:							
Other liabilities	9.6	9.8	4.3	4.9	13.9	14.7	5.8%
Long-term liabilities	34.7	13.6	1.0	0.7	35.7	14.3	-59.9%
Total liabilities	<b>44.3</b>	<b>23.4</b>	<b>5.3</b>	<b>5.6</b>	<b>49.6</b>	<b>29.0</b>	<b>-41.5%</b>
Net Position:							
Net investment in capital assets	459.6	478.6	196.8	189.3	656.4	667.9	1.8%
Restricted	53.9	54.7	4.3	4.7	58.2	59.4	2.1%
Unrestricted	116.5	88.5	41.3	41.9	157.8	130.4	-17.4%
Total net position	<b>\$630.0</b>	<b>\$621.8</b>	<b>\$242.4</b>	<b>\$235.9</b>	<b>\$872.4</b>	<b>\$857.7</b>	<b>-1.7%</b>

**Statement of Net Position as of June 30, 2013  
(in millions of dollars)**



**Analysis of Net Position** – With the consolidation of government-wide net position into one statement and other changes such as the exclusion of fiduciary funds, net position may now serve as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$857.7 million at the close of the 2012/13FY.

The City reported positive balances in all three categories of net position, as well as for its separate governmental and business-type activities. Following are the primary components of the City's net position:

- The *net investment 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, is \$667.9 million (77.9% 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 \$11.5 million (1.8%) in the 2012/13FY. The majority of the increase was attributable to a reduction in debt used to finance capital assets due to the payoff of the 2003 Certificates of Participation (\$20.7 million), offset by the changes in capital assets net of depreciation expense.
- The *restricted net position* of \$59.4 million (6.9% of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$37.0 million restricted in the capital project funds for the construction of major capital projects (the majority being for the construction of Phase II of Bernal Park) and capital maintenance in the water and sewer funds, \$17.7 million the majority of which is in the Lower Income Housing Fund to provide affordable housing assistance, \$4.2 million in a variety of special revenue funds to support specific City programs, and \$0.5 million in debt service funds for upcoming debt payments.
- The *unrestricted net position* of \$130.4 million (15.2% of the total) represents 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 \$88.5 million of the unrestricted net position, which is mainly attributable to the economic uncertainty reserve in the General Fund, amounts set aside for capital projects in the capital projects funds, and reserves held in internal service funds to pay for retiree medical costs, general liability claims, and repair and replacement of City facilities and equipment. Business-type activities account for \$41.9 million, the majority of which is held in the utility funds for future capital projects and emergency repairs and replacement.

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

**City of Pleasanton**  
**Changes in Net Position (in millions of dollars)**

	Governmental Activities		Business-type Activities		Total		Total % Change
	2012	2013	2012	2013	2012	2013	
Revenues:							
Program revenues:							
Charges for Services	\$24.1	\$12.1	\$34.9	\$37.3	\$59.0	\$49.4	-16.3%
Operating grants & contributions	2.0	2.3	0.3	0.2	2.3	2.5	8.7%
Capital grants & contributions	30.9	8.3	0.1	0.1	31.0	8.4	-72.9%
Interfund charges	0.6	0.6	-	-	0.6	0.6	0.0%
General revenues:							
Property taxes	47.9	48.6	-	-	47.9	48.6	1.5%
Sales taxes	19.1	19.1	-	-	19.1	19.1	0.0%
All other taxes	9.0	10.0	-	-	9.0	10.0	11.1%
All other general revenues	2.4	1.3	0.9	0.9	3.3	2.2	-33.3%
Total revenues	136.0	102.3	36.2	38.5	172.2	140.8	-18.2%
Expenses:							
General government	12.5	12.2	-	-	12.5	12.2	-2.4%
Public safety	61.5	47.5	-	-	61.5	47.5	-22.8%
Community development	12.9	12.2	-	-	12.9	12.2	-5.4%
Operations services	24.2	26.3	-	-	24.2	26.3	8.7%
Community Activities	12.2	11.7	-	-	12.2	11.7	-4.1%
Water	-	-	21.0	22.4	21.0	22.4	6.7%
Sewer	-	-	13.3	13.1	13.3	13.1	-1.5%
Golf	-	-	5.1	5.2	5.1	5.2	2.0%
Other	-	-	2.8	2.8	2.8	2.8	0.0%
Interest on long-term debt	1.1	1.5	-	-	1.1	1.5	36.4%
Interfund charges	-	-	0.6	0.6	0.6	0.6	0.0%
Total expenses	124.4	111.4	42.8	44.1	167.2	155.5	-7.0%
Revenues over (under) expenses	11.6	(9.1)	(6.6)	(5.6)	5.0	(14.7)	-394.0%
Transfer In/(Out)	(3.4)	0.9	3.4	(0.9)	0.0	0.0	0.0%
Change in net position	8.2	(8.2)	(3.2)	(6.5)	5.0	(14.7)	-394.0%
Net position, beginning of year	621.8	630.0	245.6	242.4	867.4	872.4	0.6%
Net position, end of year	\$630.0	\$621.8	\$242.4	\$235.9	\$872.4	\$857.7	-1.7%

**Changes in Net Position**

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

- The cost of governmental activities was \$111.4 million in 2012/13FY; a decrease of \$13.0 million over the 2011/12FY. The majority of the decrease was due to the City of Livermore's (Livermore) portion of Livermore-Pleasanton Fire Department (LPFD) activity being reported in an agency fund this fiscal year, as opposed to its activity being reported in a special revenue fund, as it had been in prior years. On January 1, 2013, Livermore assumed administration for LPFD and the City of Pleasanton accounts now only for Livermore's share of assets and liabilities related to various City-held reserves in an agency fund.

- Program revenues provided \$23.3 million of the resources to offset the cost of governmental activities.
  - Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, library fees, and reimbursement from the City of Livermore for LPFD totaled \$12.1 million in 2012/13FY compared to \$24.1 million in the prior fiscal year, a decrease of 49.8%. The majority of the decrease in these revenues is due to the City of Livermore's portion of Livermore-Pleasanton Fire Department charges for services being accounted for in an agency fund in the 2012/13FY, compared to the charges being accounted for in a special revenue fund in prior fiscal years.
  - Capital grants and contributions totaled \$8.3 million in the 2012/13FY, a decrease of \$22.6 million from the 2011/12FY. The majority of the decrease is attributable to the receipt of donated capital assets valued at \$17.0 million in the 2011/12FY for the regional parkland at Staples Ranch.
  - Operating grants and contributions totaled \$2.3 million.
  - Interfund charges totaled \$0.6 million to reimburse the General Fund for services provided to the business-type activities.
- General revenues totaled \$79.0 million, an increase of \$0.6 million over the 2011/12 FY, and included the following:
  - Tax revenues mainly consisting of property tax and sales tax revenues of \$77.7 million.
  - Investment income (not restricted to specific programs) of \$0.2 million.
  - Miscellaneous revenues of \$1.1 million.

*Business-type activities* decreased the City's net position by \$6.5 million. This change is primarily the result of the following:

- The cost of business activities, together with interfund charges of \$0.6 million and transfers of \$0.9 million, was \$45.0 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 \$9.0 million in depreciation expenses. Capital outlays are capitalized and are reflected as capital assets in the Statement of Net position.
- Program revenues provided \$37.6 million of the resources to offset the cost of business activities.
- General revenues provided \$0.9 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 \$140.8 million for the 2012/13FY, a decrease of \$31.4 million from the 2011/12FY. The majority of the decrease was due to the donation of Staples Ranch Park property valued at \$17.0 million in the 2011/12FY and the City of Livermore's portion of LPFD activity (\$13.0 million) being accounted for in an agency fund this fiscal year, as opposed to its activity being accounted for in a special revenue fund, as it had been in prior years. Revenues from business-type activities totaled \$38.5 million, an increase of \$2.3 million in comparison to the 2011/12FY.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$60.9 million or 43.3% of the total revenues in the 2012/13FY. Program revenues made up 22.8% of governmental activities revenue. In the 2011/12FY, program revenues accounted for 42.4% of governmental activities revenue due to the accounting for Livermore's portion of LPFD activity. Program revenues accounted for 97.7% of the revenue for business-type activities in the 2012/13FY, compared to 97.5% of the revenue in the 2011/12FY. Interfund charges reflect transactions between funds and remain constant year over year.

General revenues include, among other things: taxes, franchise taxes, and investment income not restricted to specific programs. General revenues of \$79.9 million accounted for 78.1% of governmental activities revenue, and increased by 0.8% from the 2011/12FY. The majority of general revenues came from property, sales, and other taxes (97.2% of general revenues). All other general revenues accounted for 2.8% of the general revenues.

Transfers between governmental and business-type activities were \$0.9 million in the 2012/13FY, compared to \$3.4 million in the 2011/12FY. The majority of this difference is due to transfers in the 2011/12FY from the Vineyard Corridor Specific Plan Fund to reimburse for development of the utilities in the Vineyard Corridor.

#### Year to Year Variations in Expenses

City expenses for the year totaled \$155.5 million. Governmental activities totaled \$111.4 million (71.6% of the total), and business-type activities totaled \$44.1 million (28.4% of the total).

Overall City expenses decreased by \$11.7 million (7.0%) in the 2012/13FY compared to the 2011/12FY. Governmental activities decreased by \$13.0 million (10.5%) due mainly to the reclassification of the City of Livermore's share of LPFD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds, which contributed to the 22.8% decrease in Public Safety expenses. Offsetting these decreases was a net increase in business-type activities of \$1.3 million (3.0%).

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 Resolution No. 11-463 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*. On May 7, 2013, the City Council adopted Resolution No. 13-612 re-committing the General Fund Temporary Recession Reserve and the Golf Course Reserve to be used as a source of funding to redeem the 2003 Certificates of Participation (2003 COPs). The proceeds from the 2003 COPs were used to acquire and construct the Callippe Preserve Golf Course. The 2003 COPs were redeemed on June 15, 2013.

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. The detail of the fund balance classifications are disclosed in *Note 12* in the **Notes to the Basic Financial Statements**.

As of June 30, 2013, the City’s governmental funds reported combined fund balances of \$88.2 million, a decrease of \$13.3 million in comparison with the 2011/12FY. A majority of the decrease was as a result of paying off the 2003 COPS. *Nonspendable fund balances* of \$0.3 million cannot be spent due to not being in a spendable form. Approximately \$54.7 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 \$9.2 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 \$20.6 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 \$3.4 million consist of amounts that have not been classified as nonspendable, restricted, committed or assigned.

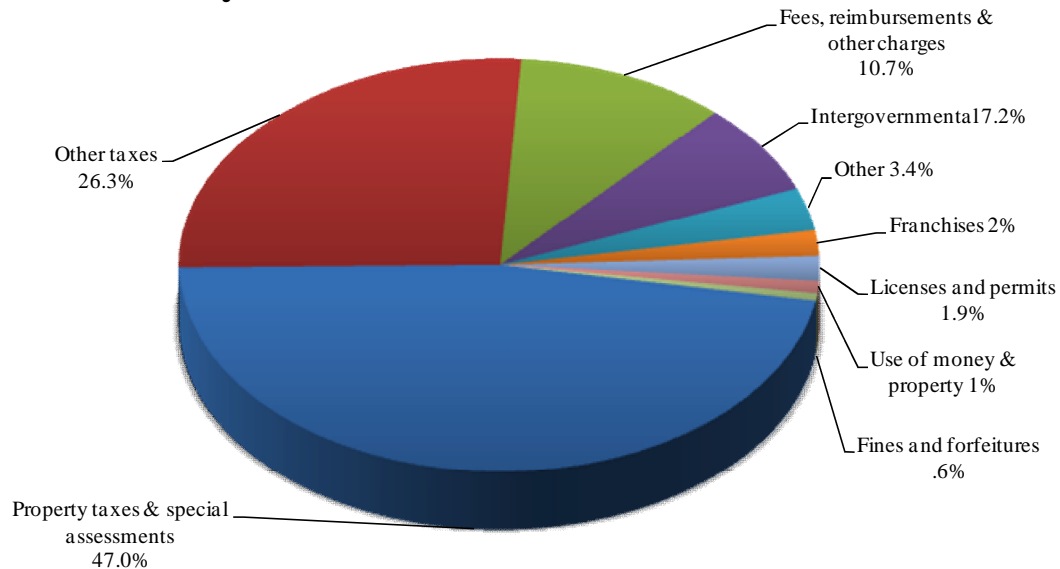
**Revenues**

The following table presents the amount of revenues from various sources, as well as increases or decreases in 2012/13FY.

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

Revenues by Source	FY 2012		FY 2013		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 48.1	40.7%	\$ 48.9	47.0%	\$ 0.8	1.7%
Other taxes	26.4	22.3%	27.3	26.3%	0.9	3.4%
Licenses and permits	1.8	1.5%	2.0	1.9%	0.2	11.1%
Fines and forfeitures	0.5	0.4%	0.6	0.6%	0.1	20.0%
Use of money & property	1.2	1.0%	1.0	1.0%	(0.2)	-16.7%
Intergovernmental	5.4	4.6%	7.5	7.2%	2.1	38.9%
Franchises	2.0	1.7%	2.1	2.0%	0.1	5.0%
Fees, reimbursements & other charges <sup>(1)</sup>	29.4	24.9%	11.1	10.7%	(18.3)	-62.2%
Other	3.4	2.9%	3.5	3.4%	0.1	2.9%
<b>Total</b>	<b>\$ 118.2</b>	<b>100.0%</b>	<b>\$ 104.0</b>	<b>100.0%</b>	<b>\$ (14.2)</b>	<b>-12.0%</b>

**Revenues by Source - Governmental Funds**



(1) The reduction in fees, reimbursements, and other charges from FY 2012 to FY 2013 primarily reflects the reclassification of the City of Livermore’s share of LPFD financial activity from Governmental Funds to Agency Funds.

The following provides an explanation of significant changes in revenues by source in 2012/13FY.

- **Intergovernmental revenues** increased \$2.1 million (38.9%). This increase is primarily due to East Bay Regional Park District's Measure WW grant funding for improvements at the Dolores Bengtson Aquatic Center (\$2.3 million).
- **Fees, reimbursements and other charges** decreased \$18.3 million (62.2%). The majority of this decrease is due to a reduction in charges for services due to the reclassification of the City of Livermore's share of LPFD activity from a special revenue fund in the 2011/12FY to an agency fund in the 2012/13FY.

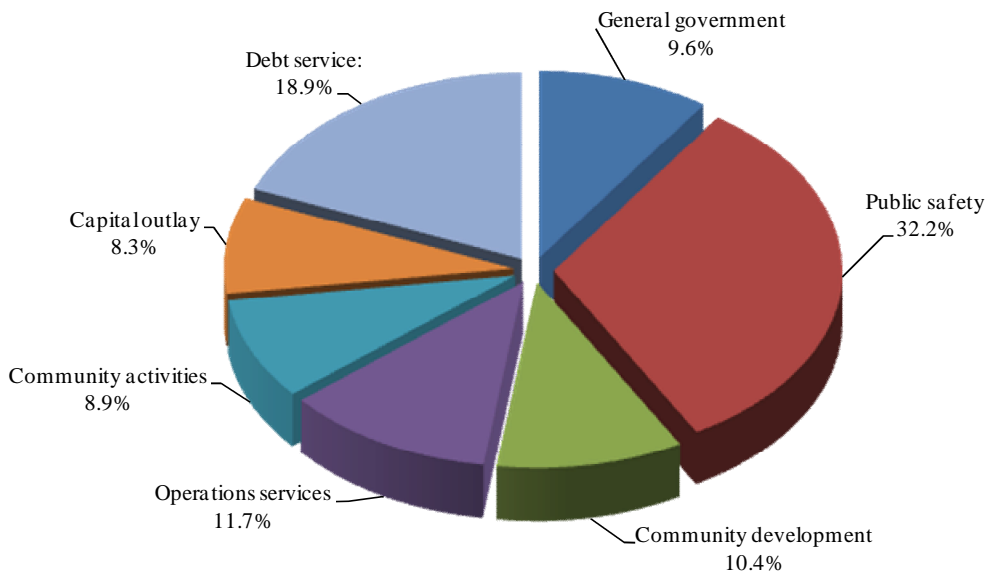
Expenditures

The following table presents expenditures by function in the 2012/13FY compared to the 2011/12FY.

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

Expenditures by Function	FY 2012		FY 2013		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$11.7	10.3%	\$11.9	9.6%	\$0.2	1.7%
Public safety	52.1	45.7%	39.8	32.2%	-12.3	-23.6%
Community development	12.7	11.1%	12.9	10.4%	0.2	1.6%
Operations services	14.1	12.4%	14.5	11.7%	0.4	2.8%
Community activities	10.5	9.2%	11.0	8.9%	0.5	4.8%
Capital outlay	10.1	8.9%	10.3	8.3%	0.2	2.0%
Debt service:						
Principal	1.9	1.7%	22.1	17.9%	20.2	1063.2%
Interest and fiscal charges	1.0	0.9%	1.2	1.0%	0.2	20.0%
Total	\$114.1	100.0%	\$123.7	100.0%	\$9.6	8.4%

**Expenditures by Function**



The following provides an explanation of the significant changes in expenditures by function from the 2011/12FY.

- **Public safety** – The net decrease of \$12.3 million (23.6%) is mainly due to the City of Livermore’s share of LPFD activity no longer being accounted for in a special revenue fund of the City. As of January 1, 2013, financial administration for LPFD was transferred from the City of Pleasanton to the City of Livermore. The City is no longer receiving contributions for LPFD from Livermore, and instead will only be accounting for Livermore's share of assets and liabilities related to various City-held reserves in an agency fund.
- **Debt service and related interest** – Debt service and related interest payments totaled \$23.3 million this year, an increase of \$20.4 million from the 2011/12FY. The 2012/13FY activity included the payoff of the 2003 COPs of \$20.7 million and related interest of \$0.2 million. Payoff of the 2003 COPs in advance of their maturity (October 1, 2032) resulted in an interest cost savings to the City of approximately \$10.7 million.

### **Major Governmental Funds**

The designated major *Governmental funds* in 2012/13FY are the General Fund, Lower Income Housing Fund, Miscellaneous Capital Improvement Program Grants Fund, and the 2003 COPs Debt Service Fund.

The **General Fund** 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 2012/13FY will be discussed in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues were higher than projected by \$0.9 million (1.0%).
- Expenditures net of transfers were less than expected by \$0.9 million (0.8%).

The City Council has committed or assigned certain General Fund reserves in conformance with GASB Statement No. 54. The City maintains these commitments and assignments 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 2012/13FY operations and the resulting ending balances. The major change in Fund Balance in the 2012/13FY occurred on May 7, 2013, when the City Council adopted Resolution No. 13-612 re-committing the General Fund Temporary Recession Reserve to be used as a source of funding to redeem the 2003 Certificates of Participation (2003 COPs). The 2003 COPs were redeemed on June 15, 2013.



### General Fund Reserves and Fund Balance as of 6/30/2013

	Balance 6/30/2012	Budgeted Additions and Deletions	Actual Additions and Deletions	Budget to Actual Variance	Balance 6/30/2013
<b>Committed Reserves</b>					
Economic Uncertainty	\$ 8,981,711	\$ 247,477	\$ 247,477	\$ -	\$ 9,229,188
Temporary Recession	11,048,000	(11,048,000)	(11,048,000)	-	-
<b>Assigned Reserves</b>					
Golf Debt Service	2,000,000	(2,000,000)	(2,000,000)	-	-
<b>Nonspendable/Unassigned*</b>	3,302,114	510,280	387,701	(122,579)	3,689,815
<b>Total Fund Balance</b>	<b>\$ 25,331,825</b>	<b>\$ (12,290,243)</b>	<b>\$ (12,412,822)</b>	<b>\$ (122,579)</b>	<b>\$ 12,919,003</b>

\* The \$122,579 variance in Unassigned Fund Balance represents the adjustment for unrecognized gains and losses prescribed in GASB Statement No. 31.

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 2012/13FY included \$392,805 received from Ponderosa Homes II, Inc. to establish a financial grant program that will be used to reduce the monthly rent for five one-bedroom unit tenants/households at The Gardens at Ironwood, a senior affordable apartment complex. Housing loan repayments and interest payments totaled \$1.3 million and included a \$449,750 loan payoff by BLP Partnership, Inc.

The **Miscellaneous Capital Improvement Program Grants Fund** included grant funding from the East Bay Regional Park District's (EBRPD) Measure WW Park Bond. Measure WW, passed by voters in Contra Costa and Alameda County on November 4, 2008, earmarks \$125 million to cities, special park districts and county service areas to fund regional park acquisition and capital projects. The City's share, based on per capita funding, is \$3.2 million. This is a reimbursement grant program and the City receives the funds after incurring costs on approved projects. The City requested \$2.4 million from EBRPD for reimbursement of costs incurred on the Dolores Bengtson Aquatic Center Renovation project during the 2012/13FY.

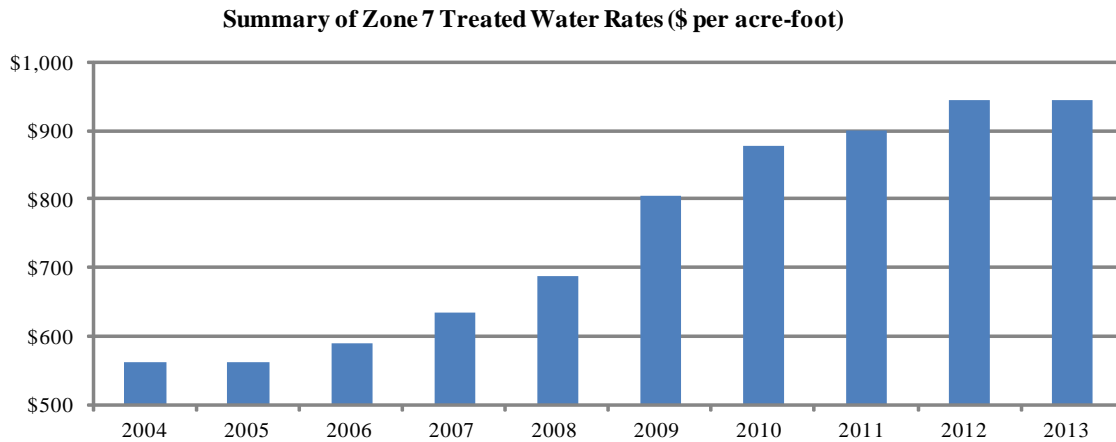
The **2003 COPs Debt Service Fund** accounted for the payoff of the 2003 Certificates of Participation (2003 COPs) of \$20.7 million and accrued interest of \$0.2 million on June 15, 2013. The 2003 COPs were issued to finance the acquisition and construction of the Callippe Preserve Golf Course and to 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.

#### Major Proprietary Funds

The designated major *Proprietary funds* in the 2012/13FY are the Water, Sewer, Golf, and Storm Drain funds.

The Water Fund net position decreased \$1.0 million in the 2012/13FY due primarily to depreciation expense of \$3.3 million, offset by operating income of \$1.4 million and non-operating income from grants, connection fees, and transfers of \$0.9 million. Transfers included \$0.3 million from collection of Vineyard Avenue Specific Plan fees and Vineyard Avenue 4th Tier Water fees to pay down the Water Repair and Replacement and Expansion Funds loan. The remaining loan balance of \$5.4 million will be repaid from future receipts of Vineyard Avenue Specific Plan fees and Vineyard Avenue 4th Tier Water fees (\$661,304).

The major cost driver for Water Fund expenses has been the rate hikes over the past several years in the treated wholesale water price paid to Zone 7. The graph below 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.



The **Sewer Fund** net position decreased \$1.0 million in the 2012/13FY due primarily to depreciation expense of \$2.7 million, offset by operating income of \$1.0 million, the increase of \$0.5 million from the City’s equity in the Livermore Amador Valley Waste Management Agency, and non-operating income from connection fees and transfers of \$0.2 million. 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 **Golf Fund** net position decreased \$2.7 million in the 2012/13FY due largely to depreciation expenses of \$1.7 million for golf course facilities and the Golf Fund’s contribution (\$1.2 million) towards the payoff of the 2003 COPs (\$20.7 million of principal and accrued interest of \$0.2 million). Remaining payoff funding came from the General Fund Golf Course Reserve (\$2.0 million), the General Fund Temporary Recession Reserve (\$11.2 million) and Internal Service Funds (\$6.5 million).

The **Storm Drain Fund** net position decreased \$1.2 million in the 2012/13FY due primarily to depreciation expense of \$1.1 million and an operating loss of \$0.1 million.

***Fiduciary Funds***

There were no designated major funds in the *Fiduciary funds* in the 2012/13FY. However, there was a significant change in the City’s *Fiduciary funds* in the 2012/13FY:

Beginning with the financial statements for the year ended June 30, 2013, the City of Livermore’s share of LPFD financial activity administered by the City of Pleasanton will be reported in an agency fund, rather than a special revenue fund as it has been previously. In prior years, the City of Pleasanton was responsible for financial administration of LPFD, and used a special revenue fund to account for and report the City of Livermore’s contributions to pay for its share of LPFD consolidated expenditures, as well as its share of the consolidated revenues. As of January 1, 2013, financial administration for LPFD was transferred from the City of Pleasanton to the City of Livermore. Because the City is no longer receiving contributions for LPFD from Livermore, and instead will only be accounting for Livermore’s share of assets and liabilities related to various City-held reserves, the City has determined that the use of an agency fund is preferable as it better reflects the fiduciary nature of the relationship.

## 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 2013 when the City Council approved the year-end report for the 2012/13FY), and actual results for 2012/13FY revenues, expenditures and transfers. Actual revenues were greater than final budget by \$0.9 million (0.1%) and expenditures were less than budget by about \$0.7 million (0.8%).

Differences between the original and final revenue budget reflect an increase of \$1.6 million (1.8%), and include, among other things, adjustments in projections for:

- sales tax and other tax revenues (\$0.3 million increase),
- plan check and planning fees (\$0.9 million increase),
- permits (\$0.3 million increase),
- recreation charges (\$0.2 million increase),
- miscellaneous reimbursement (\$0.2 million increase) and
- public works fees and fees for current services (\$0.2 million decrease).

Differences between the original and final expenditure budget represent a \$1.6 million increase (1.8%), and include adjustments to:

- personnel expenses (\$0.5 million increase),
- material, supplies and services (\$1.0 million increase), and
- capital outlay (\$0.1 million increase).

### General Fund 2012/13FY Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 89,693,904	\$ 91,284,522	\$ 92,170,015	\$ 885,493
Expenditures	(87,293,546)	(88,881,334)	(88,191,144)	690,190
Other Financing Sources(Uses):				
Transfers in	37,274	37,274	206,583	169,309
Transfers out	(2,437,632)	(16,610,462)	(16,598,276)	12,186
Net change in fund balance	\$ -	\$ (14,170,000)	\$ (12,412,822)	\$ 1,757,178

The reduction in fund balance of \$12.4 million is due to the payoff of the 2003 Certificates of Participation on June 15, 2013.

Actual General Fund revenues exceeded final budget estimates by \$0.9 million in the 2012/13FY. Property tax revenues are the largest single revenue source for the General Fund and accounted for 52.8% of total revenues. Actual property tax collections in the 2012/13FY were \$0.1 million less than the final budget estimates of \$48.8 million and increased 1.5% from the 2011/12FY. Property tax revenues include secured, unsecured, delinquent and supplemental property taxes. Sales tax revenues exceeded final budget estimates by \$0.1 million, accounting for 20.7% of total revenues (\$19.1 million). Other taxes, including Business License Tax, Hotel Tax and Documentary Transfer Tax, exceeded final budget by \$0.4 million and exceeded prior year revenues by 12.8%. Intergovernmental revenue was greater than anticipated by \$0.7 million primarily due to a \$0.5 million property tax administration fee settlement payment from the County of Alameda.

Actual General Fund expenditures of \$88.9 million were less than the final budget estimates by \$0.7 million (0.8%). The majority of the decrease was primarily due to reductions in materials, supplies and services, and repairs and maintenance expenditures. The decrease of \$0.7 million in expenditures is summarized below.

**General Fund 2012/13FY Expenditures Budgetary Comparison**

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 67,832,701	\$ 68,291,699	\$ 68,360,145	\$ (68,446)
Transportation and Training	1,804,560	1,831,306	1,709,058	122,248
Repairs and Maintenance	2,559,389	2,569,073	2,338,786	230,287
Material, Supplies and Services	14,681,823	15,696,154	15,292,582	403,572
Capital Outlay	415,073	493,102	490,573	2,529
<b>Total</b>	<b>\$ 87,293,546</b>	<b>\$ 88,881,334</b>	<b>\$ 88,191,144</b>	<b>\$ 690,190</b>

**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, 2013 was \$671.2 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, right-of-ways, buildings, improvements other than buildings, vehicles and equipment, and construction-in-progress. The City’s investment in capital assets (net of accumulated depreciation) decreased by \$10.9 million (1.6%) from the prior fiscal year. Major capital asset events during the current fiscal year included:

- Governmental activities net capital assets decreased overall by \$3.1 million in the 2012/13FY. Additions in capital assets of \$11.1 million were offset by decreases of \$14.2 million from the retirement of assets (\$6.2 million) and depreciation (\$8.0 million). Capital assets activity included:
  - Various construction-in-progress projects totaling \$9.2 million, including improvements at the Dolores Bengtson Aquatic Center (\$2.5 million) and Staples Ranch development projects (\$1.1 million), were added during 2012/13FY, while completed projects of \$4.7 million were transferred to various asset categories. The major completed projects include the pavement overlay of streets (\$1.0 million) and the annual resurfacing of streets (\$2.2 million).
  - Donated asset additions totaled \$0.2 million. Property Development Centers, LLC completed offsite improvements required for development of the Safeway Center on the southeast corner of Bernal Avenue and Valley Avenue. Improvements included construction of left turn and right turn lanes on Bernal Avenue into the development, signal modification at Bernal and Koll Center Drive, construction of sidewalks along the frontage, and Americans with Disabilities Act (ADA) ramps.
  - Capital asset additions (\$1.7 million) included various machinery and equipment of \$1.2 million and vehicle purchases of \$0.5 million.
  - These additions were offset by the retirement of infrastructure assets (\$4.1 million), construction-in-progress projects (\$1.0 million), machinery and equipment (\$0.9 million), and vehicles (\$0.2 million), and net depreciation expense of \$8.0 million, resulting in a net decrease of \$3.1 million to capital assets.

- Business-type activities net capital assets decreased overall by \$7.8 million in 2012/13FY. Additions in capital assets of \$1.2 million were offset by decreases of \$9.0 million from the retirement of assets (\$0.3 million) and depreciation (\$8.7 million). Capital assets activity included:
  - Additions to construction-in-progress projects totaled \$1.1 million and included \$0.5 million to the Vineyard Avenue Water Main project and \$0.2 million to the Sewer Station #6 Wet Well Submersible Pump Station project.
  - Additions to buildings, machinery and equipment totaled \$0.1 million and included \$0.1 million of machinery and equipment at Callippe Golf Course

These additions were offset by the retirement of machinery and equipment (\$0.3 million) and net depreciation expense of \$8.7 million, resulting in a net decrease of \$7.8 million to capital assets.

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

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes in 2012/13FY.

**City of Pleasanton**  
**Capital Assets**  
 (net of depreciation, in millions of dollars)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	2012	2013	2012	2013	2012	2013	% Change
Infrastructure	\$118.4	\$113.8	\$128.3	\$122.3	\$246.8	\$236.1	-4.3%
Land	238.1	238.1	14.4	14.4	252.5	252.5	0.0%
Right-of-ways	36.3	36.4	-	-	36.3	36.4	0.1%
Buildings	54.6	53.5	20.5	19.7	75.1	73.2	-2.5%
Improvements other than buildings	24.8	22.9	20.7	19.2	45.5	42.1	-7.6%
Vehicles & equipment	8.0	8.9	9.6	9.0	17.6	17.9	2.0%
Construction in progress	4.0	7.6	4.3	5.4	8.4	13.0	55.6%
<b>Total</b>	<b>\$484.3</b>	<b>\$481.2</b>	<b>\$197.8</b>	<b>\$190.0</b>	<b>\$682.1</b>	<b>\$671.2</b>	<b>-1.6%</b>

Additional information about the City's capital assets can be found in *Note 7* in the **Notes to Basic Financial Statements**.

**Debt Administration**

Debt, considered a liability of governmental activities, decreased by \$22.1 million in the 2012/13FY.

- The 2003 Certificates of Participation (COPs) outstanding were reduced during the fiscal year by the normal amortization of the debt (\$0.6 million) and were subsequently paid off (\$20.7 million) on June 15, 2013.
- The 2004 COPs outstanding were reduced by \$0.3 million 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.

- Payments on the LifePak cardiac monitor/defibrillators capital lease during the fiscal year totaled \$19,803, of which the City of Pleasanton paid \$9,902 and the City of Livermore paid \$9,901. The City of Pleasanton's activity is reflected in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the City of Livermore's activity is reflected in the Agency Funds Combining Statement of Changes in Assets and Liabilities.

Debt of the business-type activities decreased in the 2012/13FY by \$0.3 million.

- The 2004 Sewer Revenue Bonds outstanding were reduced during the fiscal year as a result of normal amortization of the debt (\$0.2 million).
- Payments on the golf course maintenance equipment capital lease during the fiscal year totaled \$126,644.

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

<u>Description</u>	<u>Underlying Rating</u>	<u>Insured Rating</u>
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, 2012 and 2013:

### City of Pleasanton Long Term Debt Outstanding

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
2003 Certificates of Participation	\$ 21,300,000	\$ -	\$ -	\$ -	\$ 21,300,000	\$ -
2004 Refunding Lease Certificates of Participation	1,105,000	750,000	-	-	1,105,000	750,000
State CALHFA Help Program note payable	342,487	342,487	-	-	342,487	342,487
Alameda County Transportation Corridor Purchase Agmt	1,872,000	1,404,000	-	-	1,872,000	1,404,000
Fire Equipment Capital Lease	92,630	82,728	-	-	92,630	82,728
2004 Sewer Revenue Bonds	-	-	520,000	355,000	520,000	355,000
Golf Course Capital Lease	-	-	502,508	375,864	502,508	375,864
<b>TOTAL</b>	<b>\$ 24,712,117</b>	<b>\$ 2,579,215</b>	<b>\$ 1,022,508</b>	<b>\$ 730,864</b>	<b>\$ 25,734,625</b>	<b>\$ 3,310,079</b>

Additional information about the City's long-term obligations can be found in *Note 8* 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 increased 1.1% between the 2011/12FY and the 2012/13FY. Property taxes increased between the 2011/12FY and the 2012/13FY by 1.5% as a result of higher assessed property values. The unemployment rate in Alameda County has improved to 7.4% as of June 2013, as compared with 9.5% for June 2012, and the unemployment rate in the City of Pleasanton has also shown some modest improvement at 4.5% as of June 2013 compared to the prior year of 5.3%.

The required contribution rates as a percentage of payroll for the City's employer share of retirement funding will be changing effective July 1, 2013:

- Miscellaneous Plan 24.821%
- Safety Fire Plan 35.559%
- Safety Police Plan (pooled) 26.149%

As of the adoption of the two-year budget for the 2013/14FY and 2014/15FY by the City Council on June 18, 2013, the economic outlook for the City was considered to be stable with some modest improvement. The adopted 2013/14FY General Fund Budget of approximately \$90.9 million is a slight increase (3.0%) from the final 2012/13FY 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**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Pleasanton**  
**Statement of Net Position**  
**June 30, 2013**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 142,932,915	\$ 34,253,952	\$ 177,186,867
Receivables (net):			
Accounts	7,043,514	5,703,351	12,746,865
Taxes	588,069	-	588,069
Grants	3,636,996	-	3,636,996
Interest	726,065	61,868	787,933
Lease	1,254,289	-	1,254,289
Deposits	1,002,371	-	1,002,371
Due to (from) fiduciary funds	8,635	-	8,635
Internal balances	(851,541)	851,541	-
Inventory and prepaid items	486,018	121,373	607,391
Restricted cash and investments	394,972	68,505	463,477
Notes receivable	6,834,974	-	6,834,974
Bond issuance cost, net	12,941	17,759	30,700
Net investment in joint ventures	-	10,354,868	10,354,868
Deferred loss	-	17,148	17,148
Capital assets:			
Nondepreciable	282,378,203	19,787,998	302,166,201
Depreciable, net	198,818,013	170,232,032	369,050,045
<b>Total assets</b>	<u>645,266,434</u>	<u>241,470,395</u>	<u>886,736,829</u>
<b>LIABILITIES</b>			
Accounts payable	7,505,964	4,319,737	11,825,701
Payroll payable	670,511	67,198	737,709
Interest payable	13,471	-	13,471
Refundable deposits	91,856	328,443	420,299
Unearned revenue	1,528,356	176,544	1,704,900
Long-term liabilities:			
Due within one fiscal year	4,447,562	286,689	4,734,251
Due in more than one fiscal year	9,171,546	444,175	9,615,721
<b>Total liabilities</b>	<u>23,429,266</u>	<u>5,622,786</u>	<u>29,052,052</u>
<b>NET POSITION</b>			
Net investment in capital assets	478,640,595	189,306,314	667,946,909
Restricted for:			
Debt service	394,972	68,505	463,477
Capital projects	32,486,915	4,561,809	37,048,724
Special projects	4,184,211	-	4,184,211
Community development	17,663,999	-	17,663,999
<b>Total restricted net position</b>	<u>54,730,097</u>	<u>4,630,314</u>	<u>59,360,411</u>
Unrestricted net position	88,466,476	41,910,981	130,377,457
<b>Total net position</b>	<u>\$ 621,837,168</u>	<u>\$ 235,847,609</u>	<u>\$ 857,684,777</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Activities and Changes in Net Position**  
**For the year ended June 30, 2013**

Functions / Programs	Expenses	Indirect Charges	Charges for Services	Program Revenues	
				Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 12,248,543	\$(1,264,765)	\$ 847,400	\$ -	\$ -
Public safety	47,483,697	2,829	1,925,017	704,891	-
Community development	12,174,872	(313,748)	5,070,801	1,261,613	315,777
Operations services	26,334,336	983,493	488,833	-	4,396,945
Community activities	11,705,687	-	3,786,304	373,236	3,544,279
Interest on long-term debt	1,528,110	-	-	-	-
Total governmental activities	111,475,245	(592,191)	12,118,355	2,339,740	8,257,001
<b>Business-type activities:</b>					
Water	22,379,905	(351,526)	19,874,140	129,384	-
Sewer	13,105,520	945,190	12,873,074	-	-
Golf	5,154,023	-	3,921,815	-	78,595
Transit	668,192	-	32,728	53,470	-
Storm Drain	1,761,808	(3,204)	347,612	-	-
Cemetery	27,925	1,731	77,242	-	-
Housing	375,950	-	163,515	-	-
Total business-type activities	43,473,322	592,191	37,290,126	182,854	78,595
<b>Total primary government</b>	<b>\$ 154,948,568</b>	<b>-</b>	<b>\$ 49,408,481</b>	<b>\$ 2,522,594</b>	<b>\$ 8,335,596</b>

**General Revenues:**

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,136,378)	\$ -	\$ (10,136,378)
(44,856,618)	-	(44,856,618)
(5,212,933)	-	(5,212,933)
(22,432,051)	-	(22,432,051)
(4,001,868)	-	(4,001,868)
(1,528,110)	-	(1,528,110)
(88,167,958)	-	(88,167,958)
-	(2,024,855)	(2,024,855)
-	(1,177,636)	(1,177,636)
-	(1,153,613)	(1,153,613)
-	(581,994)	(581,994)
-	(1,410,991)	(1,410,991)
-	47,586	47,586
-	(212,435)	(212,435)
-	(6,513,938)	(6,513,938)
(88,167,958)	(6,513,938)	(94,681,896)
48,648,728	-	48,648,728
7,866,876	-	7,866,876
19,102,977	-	19,102,977
30,491	-	30,491
2,114,954	-	2,114,954
77,764,026	-	77,764,026
230,933	(100,734)	130,199
1,076,857	982,747	2,059,604
920,232	(920,232)	-
79,992,048	(38,219)	79,953,829
(8,175,910)	(6,552,157)	(14,728,067)
630,013,078	242,399,766	872,412,844
\$ 621,837,168	\$ 235,847,609	\$ 857,684,777

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

City of Pleasanton  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Program Grants Fund	2003 COPs Debt Service Fund	Non-major Governmental Funds	Total
<b>ASSETS</b>						
Cash and investments	\$ 7,999,599	\$ 16,486,734	\$ -	\$ -	\$ 58,118,971	\$ 82,605,304
Receivables (net):						
Accounts	5,914,560	188,569	-	-	678,569	6,781,698
Taxes	588,069	-	-	-	-	588,069
Grants	-	-	2,756,513	-	880,483	3,636,996
Interest	45,386	298,820	-	-	273,286	617,492
Lease	-	1,254,289	-	-	-	1,254,289
Deposits	-	-	-	-	1,002,371	1,002,371
Due from other funds	3,630,144	-	-	-	-	3,630,144
Restricted cash and investments	-	-	-	-	394,972	394,972
Notes receivable, net	264,456	4,551,838	-	-	2,018,680	6,834,974
<b>Total assets</b>	<b>\$ 18,442,214</b>	<b>\$ 22,780,250</b>	<b>\$ 2,756,513</b>	<b>\$ -</b>	<b>\$ 63,367,332</b>	<b>\$ 107,346,309</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 4,805,304	\$ 49,759	\$ 4,067	\$ -	\$ 1,853,728	\$ 6,712,858
Payroll payable	670,511	-	-	-	-	670,511
Due to other funds	-	-	2,752,446	-	826,272	3,578,718
Refundable deposits	-	2,189	-	-	89,667	91,856
Deferred revenue	47,396	5,827,085	-	-	2,224,392	8,098,873
<b>Total liabilities</b>	<b>5,523,211</b>	<b>5,879,033</b>	<b>2,756,513</b>	<b>-</b>	<b>4,994,059</b>	<b>19,152,816</b>
<b>Fund Balances:</b>						
Nonspendable	264,456	-	-	-	-	264,456
Restricted	-	16,901,217	-	-	37,828,880	54,730,097
Committed	9,229,188	-	-	-	-	9,229,188
Assigned	-	-	-	-	20,544,393	20,544,393
Unassigned	3,425,359	-	-	-	-	3,425,359
<b>Total fund balances</b>	<b>12,919,003</b>	<b>16,901,217</b>	<b>-</b>	<b>-</b>	<b>58,373,273</b>	<b>88,193,493</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,442,214</b>	<b>\$ 22,780,250</b>	<b>\$ 2,756,513</b>	<b>\$ -</b>	<b>\$ 63,367,332</b>	<b>\$ 107,346,309</b>

See accompanying Notes to Basic Financial Statements.



## City of Pleasanton

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

June 30, 2013

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**Fund Balances - Total Governmental Funds** \$ 88,193,493

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$9,001,497. 472,194,719

Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements. 6,570,517

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. 12,941

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 Position. 57,458,184

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:

2004 Certificates of Participation	(750,000)
Note payable to State	(342,487)
Note payable to Alameda County	(1,404,000)
Capital lease	(82,728)
Accrued interest payable	(13,471)

**Net Position of Governmental Activities** \$ 621,837,168

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, 2013

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Program Grants Fund	2003 COPs Debt Service Fund	Non-major Governmental Funds	Total
<b>REVENUES:</b>						
Taxes	\$ 75,998,183	\$ -	\$ -	\$ -	\$ -	\$ 75,998,183
Special assessments	-	-	-	-	210,276	210,276
Licenses	10,548	-	-	-	-	10,548
Permits	1,963,950	-	-	-	-	1,963,950
Fines and forfeitures	606,483	-	-	-	-	606,483
Use of money and property	73,544	1,065,585	-	3	(172,730)	966,402
Intergovernmental	1,248,354	-	2,659,056	-	3,562,822	7,470,232
Franchises	2,114,955	-	-	-	-	2,114,955
Charges for services	926,018	-	-	-	29,945	955,963
Development fees	550,363	810,317	-	-	1,756,898	3,117,578
Plan check fees	1,200,174	-	-	-	-	1,200,174
Reimbursements	1,428,161	600,630	-	-	393,262	2,422,053
Contributions and donations	23,481	-	-	-	391,361	414,842
Other revenues	2,567,930	-	-	-	571,736	3,139,666
Recreation charges	3,457,871	-	-	-	-	3,457,871
<b>Total revenues</b>	<b>92,170,015</b>	<b>2,476,532</b>	<b>2,659,056</b>	<b>3</b>	<b>6,743,570</b>	<b>104,049,176</b>
<b>EXPENDITURES:</b>						
Current:						
General government	11,942,389	-	-	-	-	11,942,389
Public safety	39,604,773	-	-	-	167,062	39,771,835
Community development	11,607,927	582,721	-	-	569,491	12,760,139
Operations services	13,970,264	-	6,829	-	640,563	14,617,656
Community activities	10,564,381	-	-	-	412,389	10,976,770
Capital outlay	490,573	-	2,652,227	-	7,151,497	10,294,297
Debt service:						
Principal	9,902	-	-	21,300,000	823,000	22,132,902
Interest, fiscal charges	935	-	-	1,135,077	37,275	1,173,287
<b>Total expenditures</b>	<b>88,191,144</b>	<b>582,721</b>	<b>2,659,056</b>	<b>22,435,077</b>	<b>9,801,277</b>	<b>123,669,275</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,978,871</b>	<b>1,893,811</b>	<b>-</b>	<b>(22,435,074)</b>	<b>(3,057,707)</b>	<b>(19,620,099)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	206,583	-	-	22,435,073	2,676,927	25,318,583
Transfers out	(16,598,276)	-	-	-	(2,357,777)	(18,956,053)
<b>Total other financing sources (uses)</b>	<b>(16,391,693)</b>	<b>-</b>	<b>-</b>	<b>22,435,073</b>	<b>319,150</b>	<b>6,362,530</b>
<b>Net change in fund balances</b>	<b>(12,412,822)</b>	<b>1,893,811</b>	<b>-</b>	<b>(1)</b>	<b>(2,738,557)</b>	<b>(13,257,569)</b>
<b>FUND BALANCES:</b>						
Beginning of year	25,331,825	15,007,406	-	1	61,111,830	101,451,062
End of year	\$ 12,919,003	\$ 16,901,217	\$ -	\$ -	\$ 58,373,273	\$ 88,193,493

See accompanying Notes to Basic Financial Statements.

City of Pleasanton

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities  
For the year ended June 30, 2013

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (13,257,569)</b>
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Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

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

Capital outlay (net of internal service funds of \$2,086,819).	7,948,748
Depreciation (net of internal service funds of \$1,323,070).	(11,375,088)

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 position differs from the change in fund balances by the value of the asset donated.

182,000

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 position differs from the change in fund balances by the cost of the asset sold.

(563,604)

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.

975,400

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.

(597,976)

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.

243,153

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

Principal repayments:

Alameda County Corridor Purchase	468,000
2003 Certificates of Participation	21,300,000
2004 Certificates of Participation	355,000
Capital lease	9,901

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.

(13,863,875)

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<b>Change in Net Position of Governmental Activities</b>	<b>\$ (8,175,910)</b>
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See accompanying Notes to Basic Financial Statements.

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**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2013**

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf	Storm Drain	Other	Total	Internal Service Funds
					Non-major Enterprise Funds		
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 19,492,594	\$ 12,436,255	\$ 330,471	\$ 1,158,931	\$ 835,701	\$ 34,253,952	\$ 60,327,611
Receivables (net):							
Accounts	3,799,447	1,827,071	1,012	2,952	72,869	5,703,351	261,816
Interest	35,446	23,388	318	2,087	629	61,868	108,573
Inventory and prepaid items	-	-	121,373	-	-	121,373	486,018
Restricted cash and investments	-	68,505	-	-	-	68,505	-
<b>Total current assets</b>	<b>23,327,487</b>	<b>14,355,219</b>	<b>453,174</b>	<b>1,163,970</b>	<b>909,199</b>	<b>40,209,049</b>	<b>61,184,018</b>
Noncurrent assets:							
Bond issuance costs, net of accumulated amortization	9,457	8,302	-	-	-	17,759	-
Net investment in joint ventures	-	10,354,868	-	-	-	10,354,868	-
Advances to other funds	-	-	-	-	-	-	5,459,008
Deferred loss	17,148	-	-	-	-	17,148	-
Capital assets:							
Nondepreciable	3,054,610	4,213,264	12,434,327	24,047	61,750	19,787,998	579,520
Depreciable, net	70,496,117	53,430,524	21,314,658	24,653,046	337,687	170,232,032	8,421,977
<b>Total noncurrent assets</b>	<b>73,577,332</b>	<b>68,006,958</b>	<b>33,748,985</b>	<b>24,677,093</b>	<b>399,437</b>	<b>200,409,805</b>	<b>14,460,505</b>
<b>Total assets</b>	<b>96,904,819</b>	<b>82,362,177</b>	<b>34,202,159</b>	<b>25,841,063</b>	<b>1,308,636</b>	<b>240,618,854</b>	<b>75,644,523</b>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	2,413,983	1,594,275	286,662	6,530	18,287	4,319,737	793,106
Due to other funds	-	-	-	-	42,791	42,791	-
Payroll payable	38,626	16,889	-	5,534	6,149	67,198	-
Refundable deposits	-	-	316,825	-	11,618	328,443	-
Unearned revenue	83,456	-	-	-	93,088	176,544	-
Accrued compensated absences	-	-	-	-	-	-	1,203,276
Claims payable	-	-	-	-	-	-	2,386,044
Capital leases payable - due within one year	-	-	111,689	-	-	111,689	-
Bonds payable - due within one year	-	175,000	-	-	-	175,000	-
<b>Total current liabilities</b>	<b>2,536,065</b>	<b>1,786,164</b>	<b>715,176</b>	<b>12,064</b>	<b>171,933</b>	<b>5,221,402</b>	<b>4,382,426</b>
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	-	-	5,459,008
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	3,232,256
Claims payable - due in more than one year	-	-	-	-	-	-	4,218,317
Capital leases payable - due in more than one year	-	-	264,175	-	-	264,175	-
Bonds payable - due in more than one year	-	180,000	-	-	-	180,000	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>180,000</b>	<b>264,175</b>	<b>-</b>	<b>-</b>	<b>444,175</b>	<b>12,909,581</b>
<b>Total liabilities</b>	<b>2,536,065</b>	<b>1,966,164</b>	<b>979,351</b>	<b>12,064</b>	<b>171,933</b>	<b>5,665,577</b>	<b>17,292,007</b>
<b>NET POSITION</b>							
Net investment in capital assets	73,567,875	57,288,788	33,373,121	24,677,093	399,437	189,306,314	8,682,604
Restricted for:							
Debt service	-	68,505	-	-	-	68,505	-
Capital improvements	2,513,358	2,048,451	-	-	-	4,561,809	-
Unrestricted	18,287,521	20,990,269	(150,313)	1,151,906	737,266	41,016,649	49,669,912
<b>Total net position</b>	<b>\$ 94,368,754</b>	<b>\$ 80,396,013</b>	<b>\$ 33,222,808</b>	<b>\$ 25,828,999</b>	<b>\$ 1,136,703</b>	<b>234,953,277</b>	<b>\$ 58,352,516</b>

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

	894,332
Net position of business-type activities	<u>\$ 235,847,609</u>

See accompanying Notes to Basic Financial Statements.

City of Pleasanton  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds						Governmental Activities
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>							
Charges for services	\$ 21,126,941	\$ 12,840,250	\$ 3,921,815	\$ 516,417	\$ 273,485	\$ 38,678,908	\$ 30,788,035
Miscellaneous	521,281	13,002	-	174,368	140,410	849,061	49,810
<b>Total operating revenues</b>	<b>21,648,222</b>	<b>12,853,252</b>	<b>3,921,815</b>	<b>690,785</b>	<b>413,895</b>	<b>39,527,969</b>	<b>30,837,845</b>
<b>OPERATING EXPENSES:</b>							
Personnel services	3,018,385	1,291,982	1,541,132	447,816	654,235	6,953,550	27,117,854
Transportation	85,385	47,126	-	4,213	62,611	199,335	-
Repairs and maintenance	152,447	49,299	503,984	14,428	79,374	799,532	-
Materials, supplies, and services	16,896,885	10,427,818	1,314,851	362,884	104,693	29,107,131	6,809,322
Amortization	22,654	7,080	-	-	-	29,734	-
Depreciation	3,330,403	2,729,972	1,683,811	1,080,233	148,475	8,972,894	1,323,070
<b>Total operating expenses</b>	<b>23,506,159</b>	<b>14,553,277</b>	<b>5,043,778</b>	<b>1,909,574</b>	<b>1,049,388</b>	<b>46,062,176</b>	<b>35,250,246</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,857,937)</b>	<b>(1,700,025)</b>	<b>(1,121,963)</b>	<b>(1,218,789)</b>	<b>(635,493)</b>	<b>(6,534,207)</b>	<b>(4,412,401)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Grants	129,384	-	-	-	53,470	182,854	-
Intergovernmental	-	-	-	-	133,686	133,686	-
Interest income	(53,616)	(44,364)	905	(3,994)	335	(100,734)	(150,518)
Interest expense	-	(14,785)	(10,314)	-	-	(25,099)	-
Equity interest in loss from joint ventures	-	509,738	-	-	-	509,738	-
Gain (loss) from sale of capital assets	-	-	-	-	-	-	(7,146)
<b>Total nonoperating revenues (expenses)</b>	<b>75,768</b>	<b>450,589</b>	<b>(9,409)</b>	<b>(3,994)</b>	<b>187,491</b>	<b>700,445</b>	<b>(157,664)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(1,782,169)</b>	<b>(1,249,436)</b>	<b>(1,131,372)</b>	<b>(1,222,783)</b>	<b>(448,002)</b>	<b>(5,833,762)</b>	<b>(4,570,065)</b>
Capital contributions received	-	-	78,595	-	-	78,595	182,000
Connection fees	339,600	94,102	-	-	-	433,702	-
Transfers in	464,025	107,150	1,320,000	-	398,283	2,289,458	1,570,699
Transfers out	-	-	(3,012,942)	-	(196,748)	(3,209,690)	(7,012,999)
<b>Total contributions and transfers</b>	<b>803,625</b>	<b>201,252</b>	<b>(1,614,347)</b>	<b>-</b>	<b>201,535</b>	<b>(407,935)</b>	<b>(5,260,300)</b>
Special items	-	-	-	-	-	-	(4,343,970)
<b>Change in net position</b>	<b>(978,544)</b>	<b>(1,048,184)</b>	<b>(2,745,719)</b>	<b>(1,222,783)</b>	<b>(246,467)</b>	<b>(6,241,697)</b>	<b>(14,174,335)</b>
<b>NET POSITION:</b>							
Beginning of year	95,347,298	81,444,197	35,968,527	27,051,782	1,383,170		72,526,851
End of year	\$ 94,368,754	\$ 80,396,013	\$ 33,222,808	\$ 25,828,999	\$ 1,136,703		\$ 58,352,516
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.						(310,460)	
Change in net position of business-type activities						\$ (6,552,157)	

See accompanying Notes to Basic Financial Statements.

City of Pleasanton  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash receipt from customers	\$ 20,563,053	\$ 12,589,723	\$ 3,922,869	\$ 517,492	\$ 271,233	\$ 37,864,370	\$ 30,574,010
Cash payment to suppliers for goods and services	(16,529,716)	(10,624,446)	(1,757,727)	(380,343)	(264,564)	(29,556,796)	(5,655,683)
Cash payment to employees for services	(3,013,249)	(1,291,514)	(1,541,132)	(446,696)	(655,128)	(6,947,719)	(27,798,405)
Miscellaneous revenue	528,443	13,002	-	174,368	140,410	856,223	49,810
<b>Net cash provided (used) by operating activities</b>	<b>1,548,531</b>	<b>686,765</b>	<b>624,010</b>	<b>(135,179)</b>	<b>(508,049)</b>	<b>2,216,078</b>	<b>(2,830,268)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Grants received	129,384	-	-	-	53,470	182,854	-
Intergovernmental funds received	-	-	-	-	133,686	133,686	-
Transfer in	464,025	107,150	1,320,000	-	398,283	2,289,458	1,570,699
Transfer out	-	-	(3,012,942)	-	(196,748)	(3,209,690)	(7,012,999)
Repayments on advances from other funds	-	-	-	-	-	-	(1,460,813)
Transfers to Agency funds	-	-	-	-	-	-	(4,343,970)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>593,409</b>	<b>107,150</b>	<b>(1,692,942)</b>	<b>-</b>	<b>388,691</b>	<b>(603,692)</b>	<b>(11,247,083)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Principal payments on long-term debt	-	(165,000)	(126,644)	-	-	(291,644)	-
Interest payments	-	(14,785)	(10,314)	-	-	(25,099)	-
Capital asset acquisition	(812,471)	(289,776)	12,699	-	(14,271)	(1,103,819)	(1,892,189)
Connection fees received	339,600	94,102	-	-	-	433,702	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(472,871)</b>	<b>(375,459)</b>	<b>(124,259)</b>	<b>-</b>	<b>(14,271)</b>	<b>(986,860)</b>	<b>(1,892,189)</b>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES:</b>							
Interest and investment income received (lost)	(45,729)	(36,994)	1,778	(3,007)	704	(83,248)	(86,812)
Repayments on advances to other funds	-	-	-	-	-	-	1,460,813
<b>Net cash provided by (used in) noncapital investing activities</b>	<b>(45,729)</b>	<b>(36,994)</b>	<b>1,778</b>	<b>(3,007)</b>	<b>704</b>	<b>(83,248)</b>	<b>1,374,001</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,623,340</b>	<b>381,462</b>	<b>(1,191,413)</b>	<b>(138,186)</b>	<b>(132,925)</b>	<b>542,278</b>	<b>(14,595,539)</b>
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	17,869,254	12,123,298	1,521,884	1,297,117	968,626	33,780,179	74,923,150
End of year	\$ 19,492,594	\$ 12,504,760	\$ 330,471	\$ 1,158,931	\$ 835,701	\$ 34,322,457	\$ 60,327,611
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (1,857,937)	\$ (1,700,025)	\$ (1,121,963)	\$ (1,218,789)	\$ (635,493)	\$ (6,534,207)	\$ (4,412,401)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	3,353,057	2,737,052	1,683,811	1,080,233	148,475	9,002,628	1,323,070
Decrease (increase) in:							
Accounts receivable	(563,888)	(250,527)	1,054	1,075	12,207	(800,079)	(214,025)
Prepaid expense	-	-	-	-	-	-	(68,650)
Inventory and prepaid items	-	-	6,719	-	-	6,719	-
Increase (decrease) in:							
Accounts payable	605,001	(100,203)	19,792	1,182	(4,291)	521,481	(517,246)
Accrued payroll	5,136	468	-	1,120	(893)	5,831	-
Due to other funds	-	-	-	-	(13,595)	(13,595)	-
Deferred revenue	7,162	-	(209,632)	-	(14,246)	(216,716)	-
Refundable deposits	-	-	244,229	-	(213)	244,016	-
Accrued benefits payable	-	-	-	-	-	-	(680,551)
Claims payable	-	-	-	-	-	-	1,739,535
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,548,531</b>	<b>\$ 686,765</b>	<b>\$ 624,010</b>	<b>\$ (135,179)</b>	<b>\$ (508,049)</b>	<b>\$ 2,216,078</b>	<b>\$ (2,830,268)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Capital contributions received	\$ -	\$ -	\$ 78,595	\$ -	\$ -	\$ 78,595	\$ 182,000
<b>Total noncash capital and related financing activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,595</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,595</b>	<b>\$ 182,000</b>

See accompanying Notes to Basic Financial Statements.



**FIDUCIARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

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	Private-Purpose Trust	Agency
<b>ASSETS</b>	<u>          </u>	<u>          </u>
Cash and investments	\$ 487,288	\$ 6,498,229
Receivables (net):		
Accounts	1,050	827,374
Interest	858	6,922
Notes receivable	-	31,610
	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>489,196</u>	<u>\$ 7,364,135</u>
<b>LIABILITIES</b>		
Accounts payable	9,453	\$ 1,690,573
Claims	-	2,508,042
Accrued compensated absences	-	579,369
Due to other funds	-	8,635
Deferred revenue	-	5,219
Loans Payable	-	31,610
Deposits	-	2,540,687
	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>9,453</u>	<u>\$ 7,364,135</u>
<b>NET POSITION</b>		
Net position held in trust	<u>\$ 479,743</u>	

**City of Pleasanton**  
**Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Year Ended June 30, 2013**

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	Private-Purpose Trust
<b>ADDITIONS:</b>	
Investment income	\$ (970)
Miscellaneous	1,625
<b>Total additions</b>	<u>655</u>
<b>DEDUCTIONS:</b>	
Operations services	14,519
<b>Total deductions</b>	<u>14,519</u>
<b>Changes in net position</b>	<u>(13,864)</u>
<b>NET POSITION:</b>	
Beginning of year	<u>493,607</u>
End of year	<u>\$ 479,743</u>

See accompanying Notes to Basic Financial Statements.

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**City of Pleasanton**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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# City of Pleasanton

## Notes to Basic Financial Statements

### For the year ended June 30, 2013

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. *Reporting Entity*

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

##### *Government-Wide Financial Statements*

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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

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 Position. The Statement of Activities and Changes in Net Position presents changes in net position. 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 Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, 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

*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 position as presented in these statements to the net position 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.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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

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.

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 *Miscellaneous Capital Improvement Program Grants Fund* – is a capital projects fund used to account for and report the East Bay Regional Parks Measure WW grant and other miscellaneous capital improvement program (CIP) grants.

The *2003 Certificates of Participation (COPs) Debt Service Fund* – is a debt service fund used to account 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.

*Proprietary Fund Financial Statements*

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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

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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major enterprise funds:

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

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

The Golf Fund – accounts for the 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Fund Net Position and a Statement of Changes in Net Position. 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.

***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 due 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

***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 \$30,000 in the Water Fund and \$20,000 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.

***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 government-wide financial statements as “internal balances.”

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

***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, for CIP projects at \$50,000, 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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

***I. Capital Assets, Continued***

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

Capital assets that meet the definition of a major infrastructure network or extend the life of existing infrastructure networks are capitalized as infrastructure. Infrastructure networks include: roads, bridges, water, sewer, drainage systems and lighting systems.

***J. Compensated Absences***

Accumulated unpaid vacation and compensatory time is accrued in the Employee Benefit internal service fund using the accrual basis of accounting. Sick leave with pay is granted to all eligible employees. Sick leave is not considered a right which employees may use at their discretion, but is allowed only for specific purposes as explained in the City's personnel policies. The City 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

***N. Net Position***

In the government-wide financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets* – 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.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

*Unrestricted Net Position* – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

***O. Use of Restricted and Unrestricted Net Position/Fund Balance***

When an expense is incurred for purposes for which both restricted and unrestricted net position and fund balance are available, the City’s policy is to apply restricted net position 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 only by formal action (either resolution or ordinance, as each is equally binding) of the City Council, the City’s highest level of decision-making authority. Commitments may be modified or rescinded only by the City Council taking the same formal action that established the commitment originally.

Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City’s Director of Finance. Resolution No. 11-463 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.” 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 committed the General Fund reserves in accordance with the City’s fiscal policies for the Economic Uncertainty Reserve and the Temporary Recession Reserve. 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.

On May 7, 2013, the City Council adopted Resolution No. 13-612 re-committing the General Fund Temporary Recession Reserve to be used as a source of funding to redeem the 2003 Certificates of Participation (“2003 COPs”). The 2003 COPs were redeemed on June 15, 2013.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**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 2012/13FY, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*—The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. As of June 30, 2013, the City has not entered into any service concession arrangements.

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*—The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. This statement did not have any effect on the City's financial statements.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

**R. Implementation of New GASB Pronouncements, Continued**

- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*—The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:
  1. Financial Accounting Standards Board (FASB) Statements and Interpretations
  2. Accounting Principles Board Opinions
  3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. This statement did not have any effect on the City's financial statements.

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*— This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City renamed net assets as net position in the current year financial statements.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

***R. Implementation of New GASB Pronouncements, Continued***

The City is currently evaluating the potential impact on its financial statements of the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*—This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

- GASB Statement No. 66, *Technical Corrections—2012*—an amendment of GASB Statements No. 10 and No. 62— The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

- GASB Statement No. 67, *Financial Reporting for Pension Plans*—an amendment of GASB Statement No. 25 — The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented.

This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

**R. Implementation of New GASB Pronouncements, Continued**

- GASB Statement No. 68— *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* — The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed.

The provisions of this Statement are effective for fiscal years beginning after June 15, 2014.

- GASB Statement No. 69— *Government Combinations and Disposals of Government Operations* — This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

- GASB Statement No. 70— *Accounting and Financial Reporting for Nonexchange Financial Guarantees* — Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

- GASB Statement No. 71— *Pension Transition for Contributions Made Subsequent to the Measurement Date* — The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**2. DEFICIT IN INDIVIDUAL FUNDS**

The Employee Benefits internal service fund finished the 2012/13FY with a net position deficit of \$6,104,861 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit consists of two components discussed in more detail below: a \$5,515,907 deficit reflecting an advance from another fund, and a \$588,954 deficit reflecting an increase in the worker's compensation claims liability.

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. Eliminating the side fund loan reduced annual public safety personnel expenses in the General Fund beginning in the 2011/12FY. This portion of the Employee Benefits Fund deficit, as well as the advance from the Retirees Medical Reserve Fund, is being eliminated through annual payments from the General Fund over an eight year period beginning in the 2011/12FY. The annual deficit reduction payment from the General Fund for the 2012/13FY was \$1,460,813. In the Government-Wide Statement of Activities and Changes in Net Position, the Governmental Activities Public Safety function Expense column includes \$5,515,907 which represents the amount remaining to be repaid to the Employee Benefits Fund.

The Worker's Compensation Program claims liabilities in the Employee Benefits Fund are based on the City's historical incurred claims and paid loss experience and include amounts for claims incurred but not reported (IBNR). A significant increase in loss development activity during the 2012/13FY prompted a corresponding increase at year-end in the liability for both incurred claims and IBNR claims. As a consequence, the liability exceeded the funded reserves by \$588,954 as of June 30, 2013. Payments to the Employee Benefits Fund in future years from funds of the City participating in the Worker's Compensation Program are anticipated to recover the full cost of the claims liability and eliminate this portion of the net position deficit. In the Government-Wide Statement of Activities and Changes in Net Position, the Governmental Activities Public Safety function Expense column includes \$588,954 which represents the amount to be repaid to the Employee Benefits Fund.

**3. CHANGE IN ACCOUNTING METHOD**

Beginning with the financial statements for the year ended June 30, 2013, the City of Livermore's share of Livermore-Pleasanton Fire Department (LPFD) financial activity administered by the City of Pleasanton will be reported in an agency fund, rather than a special revenue fund as it has been previously.

In prior years, the City of Pleasanton was responsible for financial administration of LPFD, and used a special revenue fund to account for and report the City of Livermore's contributions to pay for its share of LPFD consolidated expenditures as well as its share of the consolidated revenues. At each year-end, a true-up calculation was performed and any residual fund balance was returned to the City of Livermore.

As of January 1, 2013, financial administration for LPFD was transferred from the City of Pleasanton to the City of Livermore. Because the City is no longer receiving contributions for LPFD from Livermore, and instead will only be accounting for Livermore's share of assets and liabilities related to various City-held reserves, the City has recognized that use of an agency fund is preferable as it would better reflect the fiduciary nature of the relationship. At June 30, 2012, the fund balance in the special revenue fund was zero, so this change in accounting method had no effect on the beginning net position in the Government-Wide Statement of Net Position or the beginning fund balance in the Governmental Funds.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**4. 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, 2013:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 142,932,919	\$ 34,253,952	\$ 6,985,517	\$ 184,172,388
Restricted cash and investments	394,972	68,505	-	463,477
<b>Total</b>	<b>\$ 143,327,891</b>	<b>\$ 34,322,457</b>	<b>\$ 6,985,517</b>	<b>\$ 184,635,865</b>

At June 30, 2013, the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value June 30, 2013
<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 7,425
Deposits with banks	1,700,056
Certificates of deposits	158,900
Total Deposits	<u>1,866,381</u>
Investments	
U.S. Government agencies	143,786,199
Medium-term corporate notes	1,998,100
Certificates of deposits	980,000
California Local Agency Investment Fund	35,541,708
Total Investments	<u>182,306,007</u>
<b>Total City Treasury</b>	<u>184,172,388</u>
<b>Cash with Fiscal Agent</b>	463,477
<b>Total City and fiscal agent cash and investments</b>	<u><u>\$ 184,635,865</u></u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**4. CASH AND INVESTMENTS, Continued**

**A. Deposits**

At June 30, 2013, the carrying amount of the City's cash deposits with the bank had a balance of \$1,700,056 and the bank's balance was \$4,798,484. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,035,808 was covered by federal depository insurance and \$3,762,676 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, 2013 was \$463,477 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, 2013 from the fiscal year ended June 30, 2012 amounted to an unrealized loss of \$1,733,067.

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, 2013, the City held \$127,857,528 in callable notes, which amounted to 70.13% of total investments.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**4. 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, 2013, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 5
U.S. Government agencies	\$ 143,786,199	\$ 5,758,061	\$ 138,028,138
Meditum-term notes	1,998,100	-	1,998,100
Certificates of deposit	980,000	490,000	490,000
California Local Agency Investment Fund	35,541,708	35,541,708	-
<b>Total</b>	<b>\$ 182,306,007</b>	<b>\$ 41,789,769</b>	<b>\$ 140,516,238</b>

**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, 2013, 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 Agencies			
Federal Farm Credit Bank	Aaa	AA	25.90%
Federal Home Loan Bank	Aaa	AA	27.98%
Federal Home Loan Mortgage Corporation	Aaa	AA	10.85%
Federal National Mortgage Association	Aaa	AA	14.13%

*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, 2013**

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**4. 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	\$ 47,219,747	25.90%
Federal Home Loan Bank	51,018,145	27.98%
Federal Home Loan Mortgage Corporation	19,782,720	10.85%
Federal National Mortgage Association	25,765,587	14.13%
	\$ 143,786,199	78.86%

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, 2013, the City had \$35,541,708 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, 2013, 61.02% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

As of June 30 2013, 1.96% 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 1.000273207 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, 2013**

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**5. NOTES RECEIVABLE**

The following table summarizes the notes receivable outstanding as of June 30, 2013, and a brief description of each of the loan categories appears below the table:

	<u>Government- Wide Statement of Net Position</u>
Housing Loans	
Multifamily Housing Projects - Developers	\$ 3,595,063
Revolving Home Loans - Individuals	840,108
Nonprofit Public Benefit Corporation	65,000
HOME Grant Program Loans	1,348,851
CDBG Program Loans	556,505
Tri-Valley Housing Opportunity Center Loan	51,667
In-Lieu Parking Fee Loans	105,000
Sewer Connection Fee Loans	264,456
Happy Valley Infrastructure Loans	8,324
Total	<u>\$ 6,834,974</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 receives approximately \$75,000 annually 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.

Tri-Valley Housing Opportunity Center Loan – The Tri-Valley Housing Opportunity Center (TVHOC) is a non-profit public charity that provides financial and housing counseling and education services to residents of the cities of Danville, Dublin, Livermore, Pleasanton, and San Ramon. In April 2013, the City joined with Dublin and Livermore in funding a \$155,001 loan to TVHOC to enable it to meet its outstanding financial obligations. The City's share of the loan to TVHOC was \$51,667, and the full amount was outstanding as of June 30, 2013.

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, 2013 was \$105,000.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**5. NOTES RECEIVABLE, Continued**

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, 2013 was \$264,456.

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 2012/13FY amounted to \$6,708. The amount outstanding as of June 30, 2013 was \$8,324.

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.
- 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, 2013 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.

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)
<b>Total</b>	<b>\$ 1,147,532</b>	

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**5. NOTES RECEIVABLE, Continued**

- 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, 2013, was \$9,271. The principal amounts outstanding at June 30, 2013, 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, 2013, was \$11,687. The principal amounts outstanding at June 30, 2013, 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, 2013, was \$107,000.
- 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 City's Down Payment Assistance (DPA) program, which was started in 2004, 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 2012/13FY, the City received loan repayments totaling \$114,887 and recorded loan adjustments which reduced the outstanding principal balance by \$16,310. The outstanding amount due to the City for these types of loans as of June 30, 2013 was \$840,108.
- 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 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, and any unpaid amounts are accrued to be paid from surplus cash in subsequent years. At maturity, on September 1, 2060, any unpaid principal and interest will be forgiven. Consequently, the City has recorded the accrued unpaid interest in an allowance for doubtful accounts in its Lower Income Housing Fund. During the 2012/13FY, BLP paid the City \$560,250 representing a portion of the accrued unpaid interest. As of June 30, 2013, the accrued unpaid interest in the allowance for doubtful accounts was \$1,372,399 and the principal amount outstanding was \$2,490,000.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**5. NOTES RECEIVABLE, Continued**

- *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. Per the amended and restated promissory note, BLP owed the City \$449,750 to be repaid by December 1, 2015; however, there was no interest due on this loan. BLP repaid the full \$449,750 outstanding loan balance on December 5, 2012.
- *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, 2013, was \$17,400. The principal amount outstanding for all three loans at June 30, 2013, 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. 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, 2013, were \$508,940 and \$146,551, respectively. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by HOME funds as of June 30, 2013, were \$153,884 and \$9,932, respectively.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**6. INTERFUND TRANSACTIONS**

**A. Interfund Receivables / Payables**

The composition of interfund balances as of June 30, 2013 is as follows:

Due to/from Other Funds

The General Fund provides short-term cash flow assistance to various grant funds and Enterprise Funds that have grant programs for which expenses are paid in one fiscal year and not reimbursed from grant receipts until the subsequent fiscal year. In the 2012/13FY, the most significant of these was the \$2,752,446 of assistance to the Miscellaneous Capital Improvement Program Grants Fund, representing the East Bay Regional Park District Measure WW Park Bond Extension Grant which will reimburse the City for expenses of the Dolores Bengtson Aquatic Center Deck and Mechanical Building Improvement Project.

The General Fund also provided assistance to the Employee Insurance Agency Fund in 2012/13FY. 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, 2013, the General Fund provided \$2,752,446 to the Miscellaneous Grants Fund, \$826,272 to various non-major special revenue funds, \$42,791 to the Transit fund, and \$8,635 to the Employee Insurance Agency fund to cover the negative cash balances that arise from the outstanding accounts receivable.

		<b>Due From Other Funds</b>
		<u>General Fund</u>
<b>Due to Other Funds</b>	Major Governmental Funds:	
	Miscellaneous CIP Grants Fund	\$ 2,752,446
	Non-major Governmental Funds:	
	Traffic Grants Fund	275,000
	Community Development Block Grant Fund	95,559
	HOME Program Fund	87,639
	Federal ISTEPA Program Fund	367,000
	HBPOA Maintenance District Fund	1,074
	Non-major Enterprise Funds:	
	Transit Fund	42,791
	Agency Funds:	
	Employee Insurance Agency Fund	8,635
<b>Total</b>	<u><u>\$ 3,630,144</u></u>	

Long-Term Advances

On July 1, 2012, 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 2012/13FY, \$1,460,813 of the advance was repaid, and the remaining \$5,459,008 will be repaid over the next six years.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**6. INTERFUND TRANSACTIONS, Continued**

**B. Transfers In/Out**

The majority of transfers occurred in 2012/13FY to cover debt service payments and pay off the 2003 Certificates of Participation, to provide operating subsidies to the enterprise funds, and to contribute to the PERS Rate Stabilization Fund.

- The General Fund transferred \$1,320,000 to the Golf Operations Fund to subsidize the annual debt service payments for the 2003 Certificates of Participation.
- The General Fund additionally transferred \$13,555,480 to the Debt Service Funds to pay off the 2003 Certificates of Participation (\$13,170,000) and to pay annual debt service for the 2004 Refunding Lease Certificates of Participation (\$385,480).
- The Golf Operations Fund transferred \$2,784,430 (including the \$1,320,000 General Fund subsidy) to the 2003 COPs Debt Service Fund to pay off the 2003 Certificates of Participation.
- The Retirees Medical Reserve Fund transferred \$6,480,643 to the 2003 COPs Debt Service Fund to pay off the 2003 Certificates of Participation.
- The General Fund transferred \$722,796 to enterprise funds to support sewer (low income and senior discounts), water (low income and senior discounts), senior transportation and cemetery operations.
- In addition, the General Fund transferred \$1,000,000 to the PERS Rate Stabilization Internal Service Fund.

Transfers in/out for the year ended June 30, 2013, were as follows:

	Transfers Out					
	Major Fund		Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	Total
	General Fund	Golf Funds				
Transfers In						
Major Fund:						
General Fund	\$ -	\$ 135,813	\$ 58,414	\$ -	\$ 12,356	\$ 206,583
2003 COPs Debt Service Fund	13,170,000	2,784,430	-	-	6,480,643	22,435,073
Sewer Enterprise Funds*	94,150	-	-	-	13,000	107,150
Water Enterprise Funds*	230,362	-	204,664	-	29,000	464,026
Golf Enterprise Funds	1,320,000	-	-	-	-	1,320,000
Non-Major Governmental Funds	385,480	-	2,094,699	196,748	-	2,676,927
Non-Major Enterprise Funds	398,284	-	-	-	-	398,284
Internal Service Funds	1,000,000	92,699	-	-	478,000	1,570,699
<b>Total</b>	<b>\$ 16,598,276</b>	<b>\$ 3,012,942</b>	<b>\$ 2,357,777</b>	<b>\$ 196,748</b>	<b>\$ 7,012,999</b>	<b>\$ 29,178,742</b>

\* 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, 2013**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
<b>Governmental activities:</b>					
Nondepreciable assets:					
Land	\$ 238,141,959	\$ -	\$ -	\$ -	\$ 238,141,959
Right-of-ways	36,309,656	13,000	-	32,018	36,354,674
Public Art	318,893	-	-	-	318,893
Construction in progress	4,011,937	9,228,553	(946,359)	(4,731,454)	7,562,677
Total nondepreciable assets	<u>278,782,445</u>	<u>9,241,553</u>	<u>(946,359)</u>	<u>(4,699,436)</u>	<u>282,378,203</u>
Depreciable assets:					
Infrastructure	270,299,921	182,000	(4,089,512)	3,210,937	269,603,346
Accumulated depreciation	(151,887,023)	(7,417,485)	3,526,039	-	(155,778,469)
Buildings	73,931,060	-	-	350,352	74,281,412
Accumulated depreciation	(19,328,850)	(1,478,029)	-	-	(20,806,879)
Improvements other than buildings	55,952,489	59,543	-	48,000	56,060,032
Accumulated depreciation	(31,494,232)	(1,993,589)	-	-	(33,487,821)
Machinery and equipment	20,790,314	1,156,791	(934,826)	533,657	21,545,936
Accumulated depreciation	(13,911,953)	(1,446,151)	914,919	-	(14,443,185)
Vehicles	9,396,824	524,038	(220,073)	556,490	10,257,279
Accumulated depreciation	(8,270,806)	(362,903)	220,073	-	(8,413,636)
Net depreciable assets	<u>205,477,744</u>	<u>(10,775,785)</u>	<u>(583,380)</u>	<u>4,699,436</u>	<u>198,818,015</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 484,260,189</u>	<u>\$ (1,534,232)</u>	<u>\$ (1,529,739)</u>	<u>\$ -</u>	<u>\$ 481,196,218</u>
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	\$ 14,352,140	\$ -	\$ -	\$ -	\$ 14,352,140
Construction in progress:	4,340,347	1,095,511	-	-	5,435,858
Total nondepreciable assets	<u>18,692,487</u>	<u>1,095,511</u>	<u>-</u>	<u>-</u>	<u>19,787,998</u>
Depreciable assets:					
Infrastructure	258,709,133	-	-	-	258,709,133
Accumulated depreciation	(130,369,583)	(6,018,657)	-	-	(136,388,240)
Buildings	33,830,029	5,463	-	-	33,835,492
Accumulated depreciation	(13,371,194)	(720,535)	-	-	(14,091,729)
Improvements other than buildings	31,481,268	-	-	-	31,481,268
Accumulated depreciation	(10,750,962)	(1,563,422)	-	-	(12,314,384)
Machinery and equipment	14,576,323	94,139	(282,345)	-	14,388,117
Accumulated depreciation	(5,124,256)	(621,311)	269,646	-	(5,475,921)
Vehicles	620,862	-	-	-	620,862
Accumulated depreciation	(483,597)	(48,969)	-	-	(532,566)
Net depreciable assets	<u>179,118,023</u>	<u>(8,873,292)</u>	<u>(12,699)</u>	<u>-</u>	<u>170,232,032</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 197,810,510</u>	<u>\$ (7,777,781)</u>	<u>\$ (12,699)</u>	<u>\$ -</u>	<u>\$ 190,020,030</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**7. CAPITAL ASSETS, Continued**

**A. Depreciation**

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 190,852
Public safety	1,163,584
Community development	937,566
Operations services	8,997,420
Community activities	1,408,735
<b>Total depreciation expense - governmental functions</b>	<b>\$ 12,698,157</b>

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

Water	\$ 3,330,403
Sewer	2,729,972
Golf	1,683,811
Transit	55,615
Storm Drain	1,080,233
Housing Authority	92,860
<b>Total depreciation expense - business type functions</b>	<b>\$ 8,972,894</b>

**8. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts Due Within One Year	Amounts Due in More Than One Year
<b>Governmental Activities:</b>						
2003 Certificates of Participation	\$ 21,300,000	\$ -	\$ (21,300,000)	\$ -	\$ -	\$ -
2004 Refunding Lease Certificates of Participation	1,105,000	-	(355,000)	750,000	370,000	380,000
State CALHFA Help Program Note Payable	342,487	-	-	342,487	-	342,487
Note payable, County of Alameda	1,872,000	-	(468,000)	1,404,000	468,000	936,000
Emergency Medical Equipment Capital Lease*	92,630	-	(9,902)	82,728	20,242	62,486
Claims payable (Note 9)	4,864,826	3,458,923	(1,719,388)	6,604,361	2,386,044	4,218,317
Compensated absences (Note 10)	5,116,083	3,229,005	(3,909,556)	4,435,532	1,203,276	3,232,256
<b>Total governmental activities</b>	<b>\$ 34,693,026</b>	<b>\$ 6,687,928</b>	<b>\$ (27,761,846)</b>	<b>\$ 13,619,108</b>	<b>\$ 4,447,562</b>	<b>\$ 9,171,546</b>
<b>Business-type Activities:</b>						
2004 Sewer Revenue Refunding Bonds	\$ 520,000	\$ -	\$ (165,000)	\$ 355,000	\$ 175,000	\$ 180,000
Golf Course Capital Lease	502,508	-	(126,644)	375,864	111,690	264,174
<b>Total business-type activities</b>	<b>\$ 1,022,508</b>	<b>\$ -</b>	<b>\$ (291,644)</b>	<b>\$ 730,864</b>	<b>\$ 286,690</b>	<b>\$ 444,174</b>

\* Amounts include Livermore's 50% share of LPPD Capital Lease Obligation

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

Long-term debt at June 30, 2013, consisted of the following:

Type of Indebtedness (Purpose)	Maturity (Fiscal Year)	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2013
<b>Governmental Activities:</b>					
2004 Refunding Lease Certificates of Participation	2014	3.250% - 3.400%	\$370-\$380	\$ 4,040,000	\$ 750,000
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	1,404,000
<b>Total governmental activities</b>					<u>\$ 2,496,487</u>
<b>Business-type Activities:</b>					
2004 Sewer Revenue Refunding Bonds	2015	3.375% - 3.500%	\$175-\$180	1,760,000	\$ 355,000
<b>Total business-type activities</b>					<u>\$ 355,000</u>

\*Interest accrues at the LAIF rate prevailing on the payment due date (0.24% as of June 30, 2013).

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. On June 15, 2013, the City applied various available reserves to redeem all of the outstanding certificates, totaling \$20,650,000, and to pay \$190,677 of accrued interest. The sources of funding for the redemption included the General Fund (Temporary Recession Reserve - \$11,170,000; Golf Course Reserve - \$2,000,000), the Golf Course Fund (\$1,192,611), and the Retiree Medical Reserve Fund (\$6,480,643). The City estimates that the early redemption of the certificates, which would otherwise have had a final maturity of October 1, 2032, will provide interest cost savings of approximately \$10,700,000.

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 3.25% to 3.40% 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, 2013**

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

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2013:

Year Ending June 30,	2004 Refunding Lease Certificates of Participation	
	Principal	Interest
2014	\$ 370,000	\$ 18,933
2015	380,000	6,460
Total	\$ 750,000	\$ 25,393

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, 2013, \$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, fourth, and fifth installments, paid in August 2011, July 2012, and July 2013, as well as the remaining two 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 15. As of June 30, 2013, regardless of the cleanup of the contaminated portion of the Northern Property, the City was obligated to purchase the uncontaminated portion of the Northern Property or it would forfeit \$1,000,000 that it had placed in escrow. On September 30, 2013, the City purchased the uncontaminated portion of the Northern property as discussed in Note 16.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2013:

Alameda County Transportation Corridor  
Purchase Agreement

Year Ending June 30,	Principal	Coupon	Estimated Interest*	Total Payment	Balance
2014	\$ 468,000	0.24%	\$ 3,370	\$ 471,370	\$ 1,404,000
2015	468,000	0.24%	2,246	470,246	936,000
2016	468,000	0.24%	1,123	469,123	468,000
Total	<u>\$ 1,404,000</u>		<u>\$ 6,739</u>	<u>\$ 1,410,739</u>	

\*Interest accrues at the LAIF rate prevailing on the payment due date. The June 30, 2013 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 \$14,929 as of June 30, 2013. 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 repayment pledge.

The following schedule presents future minimum lease payments for emergency medical equipment capital lease as of June 30, 2013:

	2013/14	2014/15	2015/16	2016/17	Total
Minimum Lease Payments	\$ 21,674	\$ 24,974	\$ 24,974	\$ 14,137	\$ 85,759
Less: Interest					(3,031)
Present Value of Minimum Lease Payment					<u>\$ 82,728</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 3.375% to 3.50% 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, 2013**

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**8. 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, 2013, the ratio of Net Sewer Revenues to the debt service payments due during 2012/13FY was 7.89:1.

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2013:

Year Ending June 30,	2004 Sewer Revenue Bonds	
	Principal	Interest
2014	\$ 175,000	\$ 9,253
2015	180,000	3,150
Total	<u>\$ 355,000</u>	<u>\$ 12,403</u>

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 \$338,446. Accumulated depreciation of the leased equipment was \$55,467 as of June 30, 2013. 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 \$293,125. Accumulated depreciation of the leased equipment was \$35,012 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, 2013**

**8. 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, 2013:

Lease Date: January 24, 2011	2013/14	2014/15	2015/16	Total
Minimum Lease Payments	\$ 55,807	\$ 74,410	\$ 55,807	\$ 186,024
Less: Interest				(5,848)
Present Value of Minimum Lease Payments				<u>\$ 180,176</u>

Lease Date: September 30, 2011	2013/14	2014/15	2015/16	2016/17	Total
Minimum Lease Payments	\$ 62,549	\$ 62,549	\$ 62,549	\$ 15,637	\$ 203,284
Less: Interest					(7,595)
Present Value of Minimum Lease Payments					<u>\$ 195,689</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 2018. 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, 2013, amounted to approximately \$141,500 and \$2,600, respectively.

The future minimum lease payments anticipated under the existing lease commitments in governmental activities, as of June 30, 2013, are as follows:

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
General Fund	\$ 115,804	\$ 103,770	\$ 91,884	\$ 88,200	\$ 44,403	\$ 444,061
Total Governmental Activities	<u>\$ 115,804</u>	<u>\$ 103,770</u>	<u>\$ 91,884</u>	<u>\$ 88,200</u>	<u>\$ 44,403</u>	<u>\$ 444,061</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, 2013 amounted to \$141,073.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2013, are as follows:

	2013/14	2014/15	2015/16	Total
Golf Fund	\$ 106,568	\$ 81,746	\$ 61,309	\$ 249,623
Total Business-type Activities	<u>\$ 106,568</u>	<u>\$ 81,746</u>	<u>\$ 61,309</u>	<u>\$ 249,623</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

2004 Water Revenue Refunding Bonds

In May 2011, the City defeased its Series 2004 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, 2013, \$345,000 of principal remained outstanding. The schedule of debt service payments on the defeased bonds by fiscal year is presented in the table below:

2004 Water Revenue Refunding Bonds			
Year Ending			
June 30,	Principal	Interest	Total
2014	\$ 170,000	\$ 8,994	\$ 178,994
2015	175,000	3,062	178,062
Total	<u>\$ 345,000</u>	<u>\$ 12,056</u>	<u>\$ 357,056</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, 2013, was \$45,017,891.

Legal Debt Limit

As of June 30, 2013, 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, 2013**

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**8. 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, 2013.

As of June 30, 2013, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

**9. 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**9. RISK MANAGEMENT, Continued**

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. In the Employee Benefits Fund, the net position related to the Worker's Compensation Program at June 30, 2013, was -\$588,955, reflecting a significant increase in claims liability from the prior year. The claims liability of \$5,829,605 in the Employee Benefit Fund is reported as claims payable as of June 30, 2013. Payments in future years from funds of the City participating in the Worker's Compensation Program are anticipated to recover the full cost of the claims liability.

In the Self Insurance Retention Fund, at June 30, 2013, reserves of \$5,471,587 are reported in net position and claims liabilities of \$774,755 are reported as claims payable.

The Worker's Compensation Program claims liabilities in the Employee Benefits Fund are based on the City's historical incurred claims and paid loss experience and include amounts for claims incurred but not reported (IBNR). The general and employment practices claims liabilities in the Self Insurance Retention Fund are based on the results of actuarial studies and include IBNR claims amounts. 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,	
	2012	2013
Unpaid claims, beginning of year	\$ 4,998,383	\$ 4,864,826
Incurred claims and changes in estimates	1,582,996	3,458,923
Claim payments	(1,716,553)	(1,719,388)
Unpaid claims, end of year	<u>\$ 4,864,826</u>	<u>\$ 6,604,361</u>

**10. 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, 2013, the total of vacation and other compensated leaves is \$4,435,532.

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

The City participates in nine 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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, Los Altos, 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 position 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.

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	\$ 25,252,772
Total Liabilities	16,562,536
Total Equity	<u>\$ 8,690,236</u>
Total Revenue	<u>\$ 10,054,558</u>
Total Expenses	9,997,381
Revenue over Expenses	<u><u>\$ 57,177</u></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 has facilitated lease financings (through the issuance of Certificates of Participation) for many of the City’s public buildings, although no PJPPFA debt obligations remained outstanding in the 2012/13FY. 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.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

Livermore-Amador Valley Waste Management Agency

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates 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.

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 Position 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 Position as "Net Investment in Joint Ventures." The City’s equity interest in LAVWMA was \$10,354,868 as of June 30, 2013. Financial statements for LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Total Assets	\$ 148,027,155
Total Liabilities	116,955,010
Total Equity	<u>\$ 31,072,145 *</u>
Total Revenue	<u>\$ 12,502,767</u>
Total Expenses	11,080,845
Revenue over Expenses	<u>\$ 1,421,922</u>

\* City's equity interest was \$10,354,868 as of June 30, 2013.

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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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

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, 2013, the City of Pleasanton's contribution was \$13,586,587 and the City of Livermore's was \$12,806,909. The City of Pleasanton's share of revenues and expenditures is reported in the General Fund. The City of Livermore is the Treasurer for the JPA and no separate financial statements are prepared.

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. Currently there are 43 member agencies consisting of both counties, 30 cities, 6 special districts, 3 Colleges, Dublin-San Ramon Services District 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 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, 1111 Broadway, Suite 800, Oakland, CA 94607.

**12. NET POSITION/ FUND BALANCES**

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. 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 Position

This category represents net position 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**12. NET POSITION/ FUND BALANCES, Continued**

Unrestricted Net Position

This category represents the net position 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.

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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**12. NET POSITION/ FUND BALANCES, Continued**

As of June 30, 2013, fund balances are composed of the following:

	General Fund	Lower Income Housing Fund	Other Funds	Total
<b>Nonspendable</b>				
Notes Receivable	\$ 264,456	\$ -	\$ -	\$ 264,456
<b>Restricted</b>				
Assessment District Construction	-	-	1,958,721	1,958,721
Asset Forfeiture	-	-	34,980	34,980
Budgeted Developer Projects	-	-	8,067,667	8,067,667
Community Access Television	-	-	298,534	298,534
Debt Service Reserves	-	-	394,972	394,972
Donations	-	-	216,722	216,722
Downtown & North Pleasanton	-	-	4,494,163	4,494,163
Geological Hazard Assessmt District	-	-	830,444	830,444
Grants	-	-	138,678	138,678
Housing	-	16,901,217	-	16,901,217
Landscape and Lighting District	-	-	331,570	331,570
Landscape Maintenance NPID	-	-	1,132,691	1,132,691
Marilyn Kane Trail Reserve	-	-	104,227	104,227
Other Purposes	-	-	10,010	10,010
Park Development	-	-	4,098,286	4,098,286
Public Facilities Capital Improvements	-	-	2,892,069	2,892,069
Public Safety	-	-	268,888	268,888
Resource Management	-	-	762,782	762,782
Street Maintenance	-	-	5,165,936	5,165,936
Traffic Impact	-	-	3,968,370	3,968,370
Traffic Impact - Bernal	-	-	536,274	536,274
Tri-Valley Transportation	-	-	669,061	669,061
Various Specific Plan	-	-	1,453,834	1,453,834
<b>Committed</b>				
Economic Uncertainty	9,229,188	-	-	9,229,188
<b>Assigned</b>				
Capital Projects	-	-	20,528,080	20,528,080
Other Purposes	-	-	16,314	16,314
<b>Unassigned</b>	3,425,359	-	-	3,425,359
<b>Total Fund Balances</b>	<u>\$ 12,919,003</u>	<u>\$ 16,901,217</u>	<u>\$ 58,373,273</u>	<u>\$ 88,193,493</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**13. 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 its Executive Office located at 400 P Street, Sacramento, California 95814.

*Funding Policy* - On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. PEPRA distinguishes between so-called "classic" employees, who were in a public retirement plan (not necessarily PERS) prior to January 1, 2013, and "new" employees, who first became a member of a public retirement plan on or after January 1, 2013. Classic employees are required by State statute to contribute 8% of their annual salary if a miscellaneous member and 9% if a safety member, while new employees are required to contribute 50% of the total normal cost for their benefit formula. The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013, valuation for the 2015/16FY rates.

In the 2012/13FY, the City paid a portion of the required member contributions on behalf of City employees, amounting to \$1,492,965 for the year ended June 30, 2013. The City's employer required contribution rate for Safety Fire employees was 33.287% and for Safety Police employees was 24.706% for the fiscal year. On October 15, 2013, the City paid \$1,000,000 to PERS as a lump-sum payment to reduce the unfunded liability for Miscellaneous employees. As a result, the employer required contribution rate for Miscellaneous employees was reduced from 22.118% to 21.899% beginning November 2012.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**13. DEFINED BENEFIT PENSION PLAN, Continued**

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

Annual Pension Cost – For the 2012/13FY, the City's annual pension cost of \$11,770,355 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, 2010, actuarial valuation to determine the 2012/13FY ARC, as well as the most current valuation, are summarized in the following table.

	<u>Actuarial Valuation Date</u>	
	6/30/2010	6/30/2012
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	28 years
Police	N/A	19 years
Miscellaneous	N/A	26 years
Postretirement Benefit Increases	2.00%	2.00%

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

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.

On April 17, 2013, the PERS Board of Administration approved a recommendation to change the PERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015/16 rates, PERS will no longer use an actuarial value of assets and will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**13. DEFINED BENEFIT PENSION PLAN, Continued**

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

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 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**

<b>Miscellaneous Plan</b>			
<b>Fiscal Year</b>	<b>Annual Pension</b>	<b>Percentage of</b>	<b>Net Pension</b>
<b>Ending</b>	<b>Cost (APC)</b>	<b>APC</b>	<b>Net Pension</b>
		<b>Contributed</b>	<b>Obligation</b>
6/30/2011	\$ 4,489,122	100%	\$ -
6/30/2012	5,081,003	100%	-
6/30/2013	5,128,894	100%	-

<b>Safety Police Plan</b>			
<b>Fiscal Year</b>	<b>Annual Pension</b>	<b>Percentage of</b>	<b>Net Pension</b>
<b>Ending</b>	<b>Cost (APC)</b>	<b>APC</b>	<b>Net Pension</b>
		<b>Contributed</b>	<b>Obligation</b>
6/30/2011	\$ 2,918,548	100%	\$ -
6/30/2012	2,415,576	100%	-
6/30/2013	2,367,064	100%	-

<b>Safety Fire Plan<sup>(1)</sup></b>			
<b>Fiscal Year</b>	<b>Annual Pension</b>	<b>Percentage of</b>	<b>Net Pension</b>
<b>Ending</b>	<b>Cost (APC)</b>	<b>APC</b>	<b>Net Pension</b>
		<b>Contributed</b>	<b>Obligation</b>
6/30/2011	\$ 3,730,787	100%	\$ -
6/30/2012	4,267,350	100%	-
6/30/2013	4,274,397	100%	-

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

**B. Funded Status and Funding Progress**

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**14. 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 five 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, until age 65. Upon reaching 65, all retiree medical benefits will cease.
- 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.
- 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.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**14. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued**

**A. Plan Description, Continued**

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.

In 2012/13FY, the City contributed \$9,390,187 (\$6,768,135 for Non-Fire and \$2,622,052 for Fire), including \$5,692,559 (\$4,112,935 for Non-Fire and \$1,579,624 for Fire) deposited to the OPEB Trust; \$2,976,132 (\$2,131,553 for Non-Fire and \$844,579 for Fire) for pay-as-you-go current cash benefit payments to retirees; \$4,496 (\$3,647 for Non-Fire and \$849 for Fire) for legal and actuarial services; and \$717,000 (\$520,000 for Non-Fire and \$197,000 for Fire) in implied subsidy benefit payments.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**14. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued**

***B. Funding Policy, Continued***

The following table summarizes the City's 2012/13FY contribution:

	Non-Fire	Fire <sup>(1)</sup>	Total
Contributions to OPEB Trust	\$ 4,112,935	\$ 1,579,624	\$ 5,692,559
Benefit to retirees	2,131,553	844,579	2,976,132
Legal and actuarial services	3,647	849	4,496
Implied subsidy	520,000	197,000	717,000
Total	<u>\$ 6,768,135</u>	<u>\$ 2,622,052</u>	<u>\$ 9,390,187</u>

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

The City's ARC was \$9,390,187 (\$6,768,135 for Non-Fire and \$2,622,052 for Fire) for the 2012/13FY (See Note 14. 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, 2011, shows the components of the City's annual OPEB cost for the 2012/13FY, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	Non-Fire	Fire <sup>(1)</sup>	Total
Annual required contribution	\$ 6,768,000	\$ 2,622,000	\$ 9,390,000
Adjustment to annual required contribution <sup>(2)</sup>	135	52	187
Annual OPEB cost (expense)	6,768,135	2,622,052	9,390,187
Contributions to OPEB trust	(4,112,935)	(1,579,624)	(5,692,559)
Benefit payments to retirees	(2,131,553)	(844,579)	(2,976,132)
Legal and actuarial services	(3,647)	(849)	(4,496)
Implied subsidy	(520,000)	(197,000)	(717,000)
Increase in net OPEB obligation	-	-	-
Net OPEB obligation - beginning of year	-	-	-
Net OPEB obligation - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<sup>(2)</sup> Adjustment reflects fourth quarter payment made to Bank of New York for trustee services (\$187).

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

**14. 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 2010/11 through 2012/13 are as follows:

<b>Non-Fire</b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 4,753,390	100%	\$ -
June 30, 2012	6,043,037	100%	-
June 30, 2013	6,768,135	100%	-

<b>Fire<sup>(1)</sup></b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 2,271,073	100%	\$ -
June 30, 2012	2,374,147	100%	-
June 30, 2013	2,622,052	100%	-

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

**Funded Status and Funding Progress.** The June 30, 2011 actuarial valuation was used to develop the 2012/13FY ARC. The funded status of the plan as of June 30, 2013 was:

	<b>Non-Fire</b>	<b>Fire<sup>(1)</sup></b>	<b>Total</b>
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%

<sup>(1)</sup> 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**  
**For the year ended June 30, 2013**

**14. 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, 2011 actuarial valuation that was used to develop the 2012/13FY ARC, the entry age normal actuarial cost method was used. The actuarial assumptions included: (a) discount rate of 7.61%, prefunded with CERBT Investment Option 1; (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 \$10,109,000 for Non-Fire and \$4,708,000 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.

	<b>Retiree Medical Reserves</b>		
	<b>Retirees Insurance Reserve</b>	<b>LPFD Reserve(1)</b>	<b>Total</b>
June 30, 2012 Fund Balance	\$ 31,404,405	\$ 7,374,776	\$ 38,779,181
2012/13FY Contributions from operating funds	6,767,770	704,361	7,472,131
2012/13FY Interest Income	(16,444)	(15,778)	(32,222)
2012/13FY Contributions to OPEB Trust	(4,112,935)	(1,579,624)	(5,692,559)
Benefit payments to retirees(2)	(2,131,553)	(844,579)	(2,976,132)
Legal and actuarial services	(3,647)	(849)	(4,496)
Transfer out to 2003 COP Debt Service Fund	(6,480,643)	-	(6,480,643)
Transfer out of implied subsidy to operating funds	(520,000)	-	(520,000)
June 30, 2013 Fund Balance	<u>\$ 24,906,953</u>	<u>\$ 5,638,307</u>	<u>\$ 30,545,260</u>

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**15. 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 2012/13FY debt service and operating costs for the facility was \$135,257.

**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) were to be used to pay the annual lease payments on the District's outstanding Certificates of Participation. The revolving line of credit, not to exceed \$1,200,000 at any one time, was secured by a Promissory Note between the City of Pleasanton and the PUSD. The line of credit expired on June 30, 2013, without having been drawn on by the PUSD.

**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. On September 30, 2013, the City purchased the uncontaminated portion of the Northern Property as discussed in Note 16.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2013**

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**15. 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, 2013. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amount
Stoneridge Drive and Vineyard Avenue Overlay	\$ 1,007,766
Staples Ranch Stoneridge Drive and Santa Rita Road Intersection Improvements	828,315
Dolores Bengtson Aquatic Center Renovation	791,299
Bernal Community Park Design - Phase II	602,602
Total	<u>\$ 3,229,982</u>

**16. SUBSEQUENT EVENT**

***Purchase of the Alameda County Transportation Corridor Northern Property***

On September 30, 2013, the City purchased the uncontaminated segments of the Alameda County Transportation Corridor Northern Property for a purchase price of \$1,687,250. The \$1,000,000 which had been held in escrow by the County as a security deposit was applied to pay the first of three annual purchase installments, \$562,417, with the residual amount returned to the City. The County will continue its efforts to complete the cleanup of contamination on the remaining segment of the Northern Property not purchased by the City.

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**REQUIRED SUPPLEMENTARY INFORMATION**



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**City of Pleasanton**  
**Required Supplementary Information**  
**For the year ended June 30, 2013**

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**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, 2013:

**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, 2013, expenditures exceeded appropriations in the General Fund in the debt service principal expenditures category by \$1,774 and in the debt service interest expenditures category by \$935. These over-expenditures reflect that less of the Livermore-Pleasanton Fire Department capital lease expenditures were accrued to the subsequent fiscal year than anticipated when the final budget was adopted.

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

*Budgetary Comparison Schedule – General Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 75,434,751	\$ 75,565,000	\$ 75,998,183	\$ 433,183
Licenses	12,175	11,020	10,548	(472)
Permits	1,658,244	1,940,635	1,963,950	23,315
Fines and forfeitures	569,505	592,476	606,483	14,007
Use of money and property	313,850	292,000	73,544	(218,456)
Intergovernmental	530,500	503,316	1,248,354	745,038
Franchises	2,058,666	2,185,000	2,114,955	(70,045)
Charges for services	1,145,357	969,500	926,018	(43,482)
Development fees	111,754	623,336	550,363	(72,973)
Plan check fees	1,071,147	1,440,000	1,200,174	(239,826)
Reimbursements	875,322	1,111,366	1,428,161	316,795
Contribution and donations	23,357	23,300	23,481	181
Other revenues	2,651,322	2,583,882	2,567,930	(15,952)
Recreation charges	3,237,954	3,443,691	3,457,871	14,180
<b>Total revenues</b>	<b>89,693,904</b>	<b>91,284,522</b>	<b>92,170,015</b>	<b>885,493</b>
<b>EXPENDITURES:</b>				
Current:				
General government	12,113,226	12,144,321	11,942,389	201,932
Public safety	38,528,691	39,608,898	39,604,773	4,125
Community development	11,564,885	11,906,143	11,607,927	298,216
Operations service	14,238,680	14,153,159	13,970,264	182,895
Community activities	10,424,863	10,567,583	10,564,381	3,202
Capital outlay	415,073	493,102	490,573	2,529
Debt service:				
Principal	8,128	8,128	9,902	(1,774)
Interest	-	-	935	(935)
<b>Total expenditures</b>	<b>87,293,546</b>	<b>88,881,334</b>	<b>88,191,144</b>	<b>690,190</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,400,358</b>	<b>2,403,188</b>	<b>3,978,871</b>	<b>1,575,683</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	37,274	37,274	206,583	169,309
Transfers out	(2,437,632)	(16,610,462)	(16,598,276)	12,186
<b>Total other financing sources</b>	<b>(2,400,358)</b>	<b>(16,573,188)</b>	<b>(16,391,693)</b>	<b>181,495</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (14,170,000)</b>	<b>(12,412,822)</b>	<b>\$ 1,757,178</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,331,825	
End of year			<u>\$ 12,919,003</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

*Budgetary Comparison Schedule – Lower Income Housing Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 357,600	\$ 643,850	\$ 1,065,585	\$ 421,735
Development fees	1,876,406	1,142,587	810,317	(332,270)
Reimbursements	160,000	534,000	600,630	66,630
<b>Total revenues</b>	<u>2,394,006</u>	<u>2,320,437</u>	<u>2,476,532</u>	<u>156,095</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	530,562	669,971	582,721	87,250
Capital outlay	-	8,184,000	-	8,184,000
<b>Total expenditures</b>	<u>530,562</u>	<u>8,853,971</u>	<u>582,721</u>	<u>8,271,250</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,863,444</u>	<u>(6,533,534)</u>	<u>1,893,811</u>	<u>8,427,345</u>
<b>Net change in fund balances</b>	<u>\$ 1,863,444</u>	<u>\$ (6,533,534)</u>	<u>1,893,811</u>	<u>\$ 8,427,345</u>
<b>FUND BALANCES:</b>				
Beginning of year			15,007,406	
End of year			<u>\$ 16,901,217</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

*Budgetary Comparison Schedule – Miscellaneous Capital Improvement Program Grants Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 3,470,280	\$ 2,659,056	\$ (811,224)
<b>Total revenues</b>	<u>-</u>	<u>3,470,280</u>	<u>2,659,056</u>	<u>(811,224)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development			-	-
Capital outlay	-	3,470,280	2,659,056	811,224
<b>Total expenditures</b>	<u>-</u>	<u>3,470,280</u>	<u>2,659,056</u>	<u>811,224</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

*Budgetary Comparison Schedule – 2003 COPS Debt Service Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	650,000	21,300,000	21,300,000	-
Interest, fiscal charges	939,399	1,132,653	1,135,077	(2,424)
<b>Total expenditures</b>	<u>1,589,399</u>	<u>22,432,653</u>	<u>22,435,077</u>	<u>(2,424)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,589,399)</u>	<u>(22,432,653)</u>	<u>(22,435,074)</u>	<u>(2,421)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,589,399	22,432,653	22,435,073	2,420
<b>Total other financing sources</b>	<u>1,589,399</u>	<u>22,432,653</u>	<u>22,435,073</u>	<u>2,420</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

**Schedule of Funding Progress**  
**Pension Benefits**

**Fire Safety**<sup>(1)</sup>

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
6/30/2010	\$ 114,736,220	\$ 151,602,344	\$ 36,866,124	75.7%	\$ 13,510,782	272.9%
6/30/2011 <sup>(2)</sup>	120,731,102	160,306,074	39,574,972	75.3%	12,791,811	309.4%
6/30/2012	124,953,092	166,004,156	41,051,064	75.3%	12,958,083	316.8%

**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
6/30/2010	\$ 126,057,749	\$ 176,913,928	\$ 50,856,179	71.3%	\$ 26,888,060	189.1%
6/30/2011 <sup>(2)</sup>	134,729,657	191,897,126	57,167,469	70.2%	24,897,180	229.6%
6/30/2012	142,079,232	201,079,153	58,999,921	70.7%	23,951,266	246.3%

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

(2) 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 actuarial price inflation assumption from the previous level of 3.00% to 2.75% in the June 30, 2011, valuation. Lowering the price inflation had a direct impact on the Investment Return (reduced from 7.75% to 7.50%) and the Overall Payroll Growth (reduced from 3.25% to 3.00%) assumptions.

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2013**

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

**Schedule of Funding Progress  
Other Postemployment Benefits<sup>(1)</sup>**

**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<sup>(2)</sup>**

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	157.7%

(1) The actuarial valuations have been performed biennially, but starting with the 6/30/2011 valuation will be performed in odd years rather than even years. The 6/30/2011 results, which are the most recent, were based on an actuarial roll-forward of the 6/30/2010 valuation results.

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



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## **SUPPLEMENTARY INFORMATION**

**City of Pleasanton  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 9,891,019	\$ -	\$ 48,227,952	\$ 58,118,971
Receivables:				
Accounts	601,984	-	76,585	678,569
Grants	880,483	-	-	880,483
Interest	195,105	-	78,181	273,286
Deposits	-	-	1,002,371	1,002,371
Restricted cash and investments	-	394,972	-	394,972
Notes receivable	2,018,680	-	-	2,018,680
<b>Total assets</b>	<b>\$ 13,587,271</b>	<b>\$ 394,972</b>	<b>\$ 49,385,089</b>	<b>\$ 63,367,332</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 903,690	\$ -	\$ 950,038	\$ 1,853,728
Due to other funds	826,272	-	-	826,272
Deposits	-	-	89,667	89,667
Deferred revenue	2,224,392	-	-	2,224,392
<b>Total liabilities</b>	<b>3,954,354</b>	<b>-</b>	<b>1,039,705</b>	<b>4,994,059</b>
<b>Fund Balances:</b>				
Restricted	9,616,603	394,972	27,817,305	37,828,880
Assigned	16,314	-	20,528,079	20,544,393
<b>Total fund balances</b>	<b>9,632,917</b>	<b>394,972</b>	<b>48,345,384</b>	<b>58,373,273</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,587,271</b>	<b>\$ 394,972</b>	<b>\$ 49,385,089</b>	<b>\$ 63,367,332</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES:</b>				
Special assessments	\$ 210,276	\$ -	\$ -	\$ 210,276
Use of money and property	(34,798)	65	(137,997)	(172,730)
Intergovernmental	3,545,984	-	16,838	3,562,822
Charges for service	29,945	-	-	29,945
Development fees	292,180	-	1,464,718	1,756,898
Reimbursements	76,914	-	316,348	393,262
Contributions and donations	213,648	-	177,713	391,361
Other revenues	548,726	-	23,010	571,736
<b>Total revenues</b>	<u>4,882,875</u>	<u>65</u>	<u>1,860,630</u>	<u>6,743,570</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	167,062	-	-	167,062
Community development	568,491	-	1,000	569,491
Operations services	430,277	-	210,286	640,563
Community activities	212,734	-	199,655	412,389
Capital outlay	5,186,529	-	1,964,968	7,151,497
Debt service:				
Principal	-	355,000	468,000	823,000
Interest and fiscal charges	-	30,536	6,739	37,275
<b>Total expenditures</b>	<u>6,565,093</u>	<u>385,536</u>	<u>2,850,648</u>	<u>9,801,277</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,682,218)</u>	<u>(385,471)</u>	<u>(990,018)</u>	<u>(3,057,707)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	385,480	2,291,447	2,676,927
Transfers out	(263,078)	-	(2,094,699)	(2,357,777)
<b>Total other financing sources (uses)</b>	<u>(263,078)</u>	<u>385,480</u>	<u>196,748</u>	<u>319,150</u>
<b>Net change in fund balances</b>	<u>(1,945,296)</u>	<u>9</u>	<u>(793,270)</u>	<u>(2,738,557)</u>
<b>FUND BALANCES:</b>				
Beginning of year	11,578,213	394,963	49,138,654	61,111,830
End of year	<u>\$ 9,632,917</u>	<u>\$ 394,972</u>	<u>\$ 48,345,384</u>	<u>\$ 58,373,273</u>

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## 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**

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

### **HBPOA Maintenance District**

This fund receives revenue from the Hacienda Business Park Owners Association to maintain the traffic signals within their business park. The City administers the maintenance contracts.

### **Community Development Block Grant**

The Community Development Block Grant (CDBG) program is funded through a federal grant from the U.S. Department of Housing and Urban Development. CDBG funds must be used for projects and activities that benefit at least 70 percent lower income persons. Eligible projects include capital improvements, housing rehabilitation, public services, and economic development activities.

### **Traffic Grants**

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

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

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

### **Downtown Economic Loan**

This fund was established in 1995-96 to provide design and other assistance to downtown merchants to improve their facades. Proposed expenditures in the future will be loans to merchants.

### **Federal ISTEA Program**

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

### **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.

**City of Pleasanton  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
June 30, 2013**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>ASSETS</b>						
Cash and investments	\$ 30,028	\$ 50,587	\$ 10	\$ 756,424	\$ 163,473	\$ 357,618
Receivables:						
Accounts	-	-	-	70,093	-	3,471
Grants	-	-	-	-	-	-
Interest	53	25	3,352	1,274	283	648
Notes receivable	-	-	105,000	-	-	-
<b>Total assets</b>	<b>\$ 30,081</b>	<b>\$ 50,612</b>	<b>\$ 108,362</b>	<b>\$ 827,791</b>	<b>\$ 163,756</b>	<b>\$ 361,737</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 5,311	\$ 15,633	\$ -	\$ 65,009	\$ 22,964	\$ 30,166
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	108,352	-	-	-
<b>Total liabilities</b>	<b>5,311</b>	<b>15,633</b>	<b>108,352</b>	<b>65,009</b>	<b>22,964</b>	<b>30,166</b>
<b>Fund Balances:</b>						
Restricted	24,770	34,979	10	762,782	140,792	331,571
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>24,770</b>	<b>34,979</b>	<b>10</b>	<b>762,782</b>	<b>140,792</b>	<b>331,571</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,081</b>	<b>\$ 50,612</b>	<b>\$ 108,362</b>	<b>\$ 827,791</b>	<b>\$ 163,756</b>	<b>\$ 361,737</b>



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
\$ 831,012	\$ 2,090,044	\$ -	\$ 2,478,310	\$ -	\$ -	\$ 243,647	\$ 32,848
2,748	234,260	-	139,826	-	-	-	-
-	-	-	-	91,199	-	-	-
1,485	3,689	-	4,474	27,332	-	472	93
-	-	-	-	1,348,851	-	-	-
<u>\$ 835,245</u>	<u>\$ 2,327,993</u>	<u>\$ -</u>	<u>\$ 2,622,610</u>	<u>\$ 1,467,382</u>	<u>\$ -</u>	<u>\$ 244,119</u>	<u>\$ 32,941</u>
\$ 4,800	\$ 38,092	\$ -	\$ 242,901	\$ 3,560	\$ -	\$ -	\$ 463
-	-	-	-	87,639	-	-	-
-	-	-	-	1,376,183	-	-	-
<u>4,800</u>	<u>38,092</u>	<u>-</u>	<u>242,901</u>	<u>1,467,382</u>	<u>-</u>	<u>-</u>	<u>463</u>
830,445	2,289,901	-	2,379,709	-	-	244,119	32,478
-	-	-	-	-	-	-	-
<u>830,445</u>	<u>2,289,901</u>	<u>-</u>	<u>2,379,709</u>	<u>-</u>	<u>-</u>	<u>244,119</u>	<u>32,478</u>
<u>\$ 835,245</u>	<u>\$ 2,327,993</u>	<u>\$ -</u>	<u>\$ 2,622,610</u>	<u>\$ 1,467,382</u>	<u>\$ -</u>	<u>\$ 244,119</u>	<u>\$ 32,941</u>

(Continued)

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds, Continued**  
**June 30, 2013**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	Federal Stimulus ARRA Grants
<b>ASSETS</b>						
Cash and investments	\$ 43,374	188,370	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	16,577	14,551	-	-	-
Grants	-	-	-	147,284	275,000	-
Interest	76	445	-	146,551	-	-
Notes receivable	-	-	-	556,505	-	-
<b>Total assets</b>	<b>\$ 43,450</b>	<b>\$ 205,392</b>	<b>\$ 14,551</b>	<b>\$ 850,340</b>	<b>\$ 275,000</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 38,314	\$ 13,476	\$ 51,648	\$ -	\$ -
Due to other funds	-	-	1,075	95,558	275,000	-
Deferred revenue	-	28,399	-	703,134	-	-
<b>Total liabilities</b>	<b>-</b>	<b>66,713</b>	<b>14,551</b>	<b>850,340</b>	<b>275,000</b>	<b>-</b>
<b>Fund Balances:</b>						
Restricted	43,450	138,679	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>43,450</b>	<b>138,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 43,450</b>	<b>\$ 205,392</b>	<b>\$ 14,551</b>	<b>\$ 850,340</b>	<b>\$ 275,000</b>	<b>\$ -</b>

Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ 26,268	\$ -	\$ 240,639	\$ 104,044	1,681,654	\$ 572,669	\$ 9,891,019
-	-	57,504	-	1,118	61,836	601,984
-	367,000	-	-	-	-	880,483
46	-	390	183	3,289	945	195,105
-	-	-	-	8,324	-	2,018,680
<u>\$ 26,314</u>	<u>\$ 367,000</u>	<u>\$ 298,533</u>	<u>\$ 104,227</u>	<u>\$ 1,694,385</u>	<u>\$ 635,450</u>	<u>\$ 13,587,271</u>
\$ -	\$ -	\$ -	\$ -	232,227	\$ 139,126	\$ 903,690
-	367,000	-	-	-	-	826,272
-	-	-	-	8,324	-	2,224,392
-	367,000	-	-	240,551	139,126	3,954,354
10,000	-	298,533	104,227	1,453,834	496,324	9,616,603
16,314	-	-	-	-	-	16,314
<u>26,314</u>	<u>-</u>	<u>298,533</u>	<u>104,227</u>	<u>1,453,834</u>	<u>496,324</u>	<u>9,632,917</u>
<u>\$ 26,314</u>	<u>\$ 367,000</u>	<u>\$ 298,533</u>	<u>\$ 104,227</u>	<u>\$ 1,694,385</u>	<u>\$ 635,450</u>	<u>\$ 13,587,271</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, 2013**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,082
Use of money and property	185	(123)	10	(3,353)	(73)	(1,349)
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	62,000	-	-	-	110,448	-
Development fees	-	-	-	-	-	-
Other	-	14,920	-	292,653	-	11,560
<b>Total revenues</b>	<b>62,185</b>	<b>14,797</b>	<b>10</b>	<b>289,300</b>	<b>110,375</b>	<b>146,293</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	1,500	15,434	-	-	-	-
Community development	-	-	19,189	98,006	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	13,371	143,307
Capital outlay	59,520	79,242	-	26,214	65,924	-
<b>Total expenditures</b>	<b>61,020</b>	<b>94,676</b>	<b>19,189</b>	<b>124,220</b>	<b>79,295</b>	<b>143,307</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,165</b>	<b>(79,879)</b>	<b>(19,179)</b>	<b>165,080</b>	<b>31,080</b>	<b>2,986</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	-	-	-	-	(8,068)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,068)</b>
<b>Net change in fund balances</b>	<b>1,165</b>	<b>(79,879)</b>	<b>(19,179)</b>	<b>165,080</b>	<b>31,080</b>	<b>(5,082)</b>
<b>FUND BALANCES:</b>						
Beginning of year	23,605	114,858	19,189	597,702	109,712	336,653
End of year	\$ 24,770	\$ 34,979	\$ 10	\$ 762,782	\$ 140,792	\$ 331,571

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
\$ 74,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2,874)	(7,776)	(77)	(7,087)	-	-	(1,033)	107
-	918,107	-	1,619,223	112,374	-	-	-
-	-	-	-	-	-	29,945	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	40,000
-	-	-	-	-	-	-	-
1,124	-	-	-	-	-	-	-
<u>72,444</u>	<u>910,331</u>	<u>(77)</u>	<u>1,612,136</u>	<u>112,374</u>	<u>-</u>	<u>28,912</u>	<u>40,107</u>
-	-	-	-	-	-	29,944	-
-	-	-	-	112,374	-	-	-
49,703	36,202	-	8,080	-	-	-	101,540
-	-	-	-	-	-	-	-
-	942,283	631,487	2,327,911	-	-	-	-
<u>49,703</u>	<u>978,485</u>	<u>631,487</u>	<u>2,335,991</u>	<u>112,374</u>	<u>-</u>	<u>29,944</u>	<u>101,540</u>
<u>22,741</u>	<u>(68,154)</u>	<u>(631,564)</u>	<u>(723,855)</u>	<u>-</u>	<u>-</u>	<u>(1,032)</u>	<u>(61,433)</u>
-	-	-	-	-	-	-	(30,199)
-	-	-	-	-	-	-	(30,199)
<u>22,741</u>	<u>(68,154)</u>	<u>(631,564)</u>	<u>(723,855)</u>	<u>-</u>	<u>-</u>	<u>(1,032)</u>	<u>(91,632)</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>
<u>\$ 830,445</u>	<u>\$ 2,289,901</u>	<u>\$ -</u>	<u>\$ 2,379,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,119</u>	<u>\$ 32,478</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, 2013**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	Federal Stimulus ARRA Grants
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	(101)	(10)	-	-	-	4
Intergovernmental	-	186,479	-	338,922	-	28,083
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	76,914	-	-	-
Contributions and donations	-	1,200	-	-	-	-
Development fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>(101)</b>	<b>187,669</b>	<b>76,914</b>	<b>338,922</b>	<b>-</b>	<b>28,087</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	111,620	-	-	-	8,564
Community development	-	-	-	338,922	-	-
Operations services	-	-	76,914	-	-	19,836
Community activities	-	3,756	-	-	-	-
Capital outlay	-	238,342	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>353,718</b>	<b>76,914</b>	<b>338,922</b>	<b>-</b>	<b>28,400</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(101)</b>	<b>(166,049)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(313)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (use)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(101)</b>	<b>(166,049)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(313)</b>
<b>FUND BALANCES:</b>						
Beginning of year	43,551	304,728	-	-	-	313
End of year	\$ 43,450	\$ 138,679	\$ -	\$ -	\$ -	\$ -

Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,276
(87)		(834)	(256)	(8,559)	(1,512)	(34,798)
-	-	-	-	-	342,796	3,545,984
-	-	-	-	-	-	29,945
-	-	-	-	-	-	76,914
-	-	-	-	-	-	213,648
-	-	-	-	292,180	-	292,180
-	-	228,469	-	-	-	548,726
(87)	-	227,635	(256)	283,621	341,284	4,882,875
-	-	-	-	-	-	167,062
-	-	-	-	-	-	568,491
-	-	-	-	69,950	68,052	430,277
-	-	52,300	-	-	-	212,734
-	-	35,000	-	640,764	139,842	5,186,529
-	-	87,300	-	710,714	207,894	6,565,093
(87)	-	140,335	(256)	(427,093)	133,390	(1,682,218)
-	-	-	-	(224,811)	-	(263,078)
-	-	-	-	(224,811)	-	(263,078)
(87)	-	140,335	(256)	(651,904)	133,390	(1,945,296)
26,401	-	158,198	104,483	2,105,738	362,934	11,578,213
\$ 26,314	\$ -	\$ 298,533	\$ 104,227	\$ 1,453,834	\$ 496,324	\$ 9,632,917

(Concluded)

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**D.A.R.E Trust Special Revenue Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 700	\$ 185	\$ (515)
Contributions and donations	-	62,000	62,000	-
<b>Total revenues</b>	<u>200</u>	<u>62,700</u>	<u>62,185</u>	<u>(515)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	6,500	14,500	1,500	13,000
Capital outlay	-	52,000	59,520	(7,520)
<b>Total expenditures</b>	<u>6,500</u>	<u>66,500</u>	<u>61,020</u>	<u>5,480</u>
<b>Net change in fund balances</b>	<u>\$ (6,300)</u>	<u>\$ (3,800)</u>	1,165	<u>\$ 4,965</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>23,605</u>	
End of year			<u>\$ 24,770</u>	



**City of Pleasanton  
 Budgetary Comparison Schedule  
 Asset Forfeiture Special Revenue Fund  
 For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Other	\$ 10,000	\$ 12,322	\$ 14,920	\$ 2,598
Use of money and property	150	150	(123)	(273)
<b>Total revenues</b>	<u>10,150</u>	<u>12,472</u>	<u>14,797</u>	<u>2,325</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	20,500	20,500	15,434	5,066
Capital outlay	9,000	76,112	79,242	(3,130)
<b>Total expenditures</b>	<u>29,500</u>	<u>96,612</u>	<u>94,676</u>	<u>(1,936)</u>
<b>Net change in fund balances</b>	<u>\$ (19,350)</u>	<u>\$ (84,140)</u>	(79,879)	<u>\$ 4,261</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>114,858</u>	
End of year			<u>\$ 34,979</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CBD Parking In-Lieu Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 10	\$ 10
Contributions and donations	20,280	20,280	-	(20,280)
<b>Total revenues</b>	<u>20,280</u>	<u>20,280</u>	<u>10</u>	<u>(20,270)</u>
<b>EXPENDITURES:</b>				
Current:				
Community Development	-	19,189	19,189	-
<b>Total expenditures</b>	<u>-</u>	<u>19,189</u>	<u>19,189</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 20,280</u>	<u>\$ 1,091</u>	<u>(19,179)</u>	<u>\$ (20,270)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>19,189</u>	
End of year			<u>\$ 10</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Resource Management Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 5,100	\$ 2,500	\$ (3,353)	\$ (5,853)
Other	208,000	287,643	292,653	5,010
<b>Total revenues</b>	<b>213,100</b>	<b>290,143</b>	<b>289,300</b>	<b>(843)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations Services	305,000	230,300	98,006	132,294
Capital Outlay	-	-	26,214	(26,214)
<b>Total expenditures</b>	<b>305,000</b>	<b>230,300</b>	<b>124,220</b>	<b>106,080</b>
<b>Net change in fund balances</b>	<b>\$ (91,900)</b>	<b>\$ 59,843</b>	<b>165,080</b>	<b>\$ 105,237</b>
<b>FUND BALANCES:</b>				
Beginning of year			597,702	
End of year			<b>\$ 762,782</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Donations Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 900	\$ 900	\$ (73)	\$ (973)
Contributions and donations	40,000	55,742	110,448	54,706
<b>Total revenues</b>	<u>40,900</u>	<u>56,642</u>	<u>110,375</u>	<u>53,733</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	4,776	13,371	(8,595)
Capital Outlay	40,000	71,000	65,924	5,076
<b>Total expenditures</b>	<u>40,000</u>	<u>75,776</u>	<u>79,295</u>	<u>(3,519)</u>
<b>Net change in fund balances</b>	<u>\$ 900</u>	<u>\$ (19,134)</u>	31,080	<u>\$ 50,214</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>109,712</u>	
End of year			<u>\$ 140,792</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape and Lighting Districts Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 129,947	\$ 129,947	\$ 136,082	\$ 6,135
Use of money and property	3,280	3,280	(1,349)	(4,629)
Other	11,559	11,559	11,560	1
<b>Total revenues</b>	<u>144,786</u>	<u>144,786</u>	<u>146,293</u>	<u>1,507</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	120,000	124,000	143,307	(19,307)
<b>Total expenditures</b>	<u>120,000</u>	<u>124,000</u>	<u>143,307</u>	<u>(19,307)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfer out	-	-	(8,068)	8,068
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>(8,068)</u>	<u>8,068</u>
<b>Net change in fund balances</b>	<u>\$ 24,786</u>	<u>\$ 20,786</u>	(5,082)	<u>\$ (9,732)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>336,653</u>	
End of year			<u>\$ 331,571</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Geologic Hazard Assessment Districts Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 68,568	\$ 68,568	\$ 74,194	\$ 5,626
Use of money and property	6,900	6,900	(2,874)	(9,774)
Other	1,103	1,103	1,124	21
<b>Total revenues</b>	<u>76,571</u>	<u>76,571</u>	<u>72,444</u>	<u>(4,127)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	67,030	67,030	49,703	17,327
<b>Total expenditures</b>	<u>67,030</u>	<u>67,030</u>	<u>49,703</u>	<u>17,327</u>
<b>Net change in fund balances</b>	<u>\$ 9,541</u>	<u>\$ 9,541</u>	22,741	<u>\$ 13,200</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>807,704</u>	
End of year			<u>\$ 830,445</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Measure B Transportation Improvements Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 2,260	\$ 10,000	\$ (7,776)	\$ (17,776)
Intergovernmental	828,470	849,223	918,107	68,884
<b>Total revenues</b>	<u>830,730</u>	<u>859,223</u>	<u>910,331</u>	<u>51,108</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	36,446	36,446	36,202	244
Capital outlay	3,063,193	3,004,148	942,283	2,061,865
<b>Total expenditures</b>	<u>3,099,639</u>	<u>3,040,594</u>	<u>978,485</u>	<u>2,062,109</u>
<b>Net change in fund balances</b>	<u>\$ (2,268,909)</u>	<u>\$ (2,181,371)</u>	(68,154)	<u>\$ 2,113,217</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,358,055</u>	
End of year			<u>\$ 2,289,901</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Prop 1B Street Repair Bond Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 1,240	\$ -	\$ (77)	\$ (77)
<b>Total revenues</b>	<u>1,240</u>	<u>-</u>	<u>(77)</u>	<u>(77)</u>
<b>EXPENDITURES:</b>				
Capital outlay	628,971	631,487	631,487	-
<b>Total expenditures</b>	<u>628,971</u>	<u>631,487</u>	<u>631,487</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (627,731)</u>	<u>\$ (631,487)</u>	(631,564)	<u>\$ (77)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>631,564</u>	
End of year			<u>\$ -</u>	



**City of Pleasanton  
 Budgetary Comparison Schedule  
 Gas Tax Special Revenue Fund  
 For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 16,000	\$ 14,483	\$ (7,087)	\$ (21,570)
Intergovernmental	1,840,719	1,984,523	1,619,223	(365,300)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	1,856,719	1,999,006	1,612,136	(386,870)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	7,500	7,500	8,080	(580)
Capital outlay	3,221,374	2,795,786	2,327,911	467,875
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	3,228,874	2,803,286	2,335,991	467,295
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net change in fund balances</b>	<u>\$ (1,372,155)</u>	<u>\$ (804,280)</u>	(723,855)	<u>\$ 80,425</u>
<b>FUND BALANCES:</b>				
Beginning of year			3,103,564	
			<u>          </u>	
End of year			<u>\$ 2,379,709</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**H.O.M.E. Program Special Revenue Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 204,739	\$ 204,739	\$ 112,374	\$ (92,365)
<b>Total revenues</b>	<u>204,739</u>	<u>204,739</u>	<u>112,374</u>	<u>(92,365)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	204,739	204,739	112,374	92,365
<b>Total expenditures</b>	<u>204,739</u>	<u>204,739</u>	<u>112,374</u>	<u>92,365</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**M.T.C. Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 211,285	\$ 111,285	\$ -	\$ (111,285)
<b>Total revenues</b>	<u>211,285</u>	<u>111,285</u>	<u>-</u>	<u>(111,285)</u>
<b>EXPENDITURES:</b>				
Capital outlay	211,285	111,285	-	111,285
<b>Total expenditures</b>	<u>211,285</u>	<u>111,285</u>	<u>-</u>	<u>111,285</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Abandoned Vehicle Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,000	\$ 2,000	\$ (1,033)	\$ (3,033)
Charges for services	30,000	30,000	29,945	(55)
<b>Total revenues</b>	<b>33,000</b>	<b>32,000</b>	<b>28,912</b>	<b>(3,088)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	30,000	30,000	29,944	56
<b>Total expenditures</b>	<b>30,000</b>	<b>30,000</b>	<b>29,944</b>	<b>56</b>
<b>Net change in fund balances</b>	<b>\$ 3,000</b>	<b>\$ 2,000</b>	<b>(1,032)</b>	<b>\$ (3,032)</b>
<b>FUND BALANCES:</b>				
Beginning of year			245,151	
End of year			<b>\$ 244,119</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Urban Forestry Program Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Contributions and donations	\$ -	\$ 40,000	\$ 40,000	\$ -
Use of money and property	1,600	800	107	(693)
<b>Total revenues</b>	<u>1,600</u>	<u>40,800</u>	<u>40,107</u>	<u>(693)</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	34,400	57,100	101,540	(44,440)
<b>Total expenditures</b>	<u>34,400</u>	<u>57,100</u>	<u>101,540</u>	<u>(44,440)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfer out	(37,274)	(37,274)	(30,199)	7,075
<b>Total other financing sources</b>	<u>(37,274)</u>	<u>(37,274)</u>	<u>(30,199)</u>	<u>7,075</u>
<b>Net change in fund balances</b>	<u>\$ (70,074)</u>	<u>\$ (53,574)</u>	<u>(91,632)</u>	<u>\$ (38,058)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>124,110</u>	
End of year			<u>\$ 32,478</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Library Trust Fund Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 200	\$ (101)	\$ (301)
<b>Total revenues</b>	<b>200</b>	<b>200</b>	<b>(101)</b>	<b>(301)</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	1,800	-	1,800
Capital outlay	-	23,200	-	23,200
<b>Total expenditures</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>
<b>Net change in fund balances</b>	<b>\$ 200</b>	<b>\$ (24,800)</b>	<b>(101)</b>	<b>\$ 24,699</b>
<b>FUND BALANCES:</b>				
Beginning of year			43,551	
End of year			\$ 43,450	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,300	\$ 1,500	\$ (10)	\$ (1,510)
Intergovernmental	-	160,059	186,479	26,420
Contributions and Donation	-	-	1,200	1,200
<b>Total revenues</b>	<u>3,300</u>	<u>161,559</u>	<u>187,669</u>	<u>26,110</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	110,332	111,620	(1,288)
Community activities	-	17,727	3,756	13,971
Capital outlay	-	234,544	238,342	(3,798)
<b>Total expenditures</b>	<u>-</u>	<u>362,603</u>	<u>353,718</u>	<u>8,885</u>
<b>Net change in fund balances</b>	<u>\$ 3,300</u>	<u>\$ (201,044)</u>	<u>(166,049)</u>	<u>\$ 34,995</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>304,728</u>	
End of year			<u>\$ 138,679</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**HBPOA Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Reimbursements	\$ 100,000	\$ 100,000	\$ 76,914	\$ (23,086)
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>76,914</u>	<u>(23,086)</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	<u>100,000</u>	<u>100,000</u>	<u>76,914</u>	<u>23,086</u>
<b>Total expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>76,914</u>	<u>23,086</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 240,234	\$ 334,098	\$ 338,922	\$ 4,824
<b>Total revenues</b>	<u>240,234</u>	<u>334,098</u>	<u>338,922</u>	<u>4,824</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	208,130	311,996	338,922	(26,926)
Capital outlay	32,104	22,102	-	22,102
<b>Total expenditures</b>	<u>240,234</u>	<u>334,098</u>	<u>338,922</u>	<u>(4,824)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Grants Special Revenue Fund**  
**For the year ended June 30, 2013**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal Stimulus ARRA Grants Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 4	\$ 4
Intergovernmental	19,836	28,400	28,083	(317)
<b>Total revenues</b>	<b>19,836</b>	<b>28,400</b>	<b>28,087</b>	<b>(313)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	8,564	8,564	-
Operations services	19,836	19,836	19,836	-
<b>Total expenditures</b>	<b>19,836</b>	<b>28,400</b>	<b>28,400</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(313)</b>	<b>\$ (313)</b>
<b>FUND BALANCES:</b>				
Beginning of year			313	
End of year			\$ -	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Downtown Economic Loan Special Revenue Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 200	\$ (87)	\$ (287)
<b>Total revenues</b>	<u>200</u>	<u>200</u>	<u>(87)</u>	<u>(287)</u>
<b>Net change in fund balances</b>	<u>\$ 200</u>	<u>\$ 200</u>	(87)	<u>\$ (287)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>26,401</u>	
End of year			<u>\$ 26,314</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal ISTEPA Program Special Revenue Fund**  
**For the year ended June 30, 2013**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Community Access Television Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 1,500	\$ (834)	\$ (2,334)
Other	215,000	215,000	228,469	13,469
<b>Total revenues</b>	<u>215,000</u>	<u>216,500</u>	<u>227,635</u>	<u>11,135</u>
<b>EXPENDITURES:</b>				
Current:				
Community Activities	40,992	52,300	52,300	-
Capital outlay	-	37,000	35,000	2,000
<b>Total expenditures</b>	<u>40,992</u>	<u>89,300</u>	<u>87,300</u>	<u>2,000</u>
<b>Net change in fund balances</b>	<u>\$ 174,008</u>	<u>\$ 127,200</u>	140,335	<u>\$ 13,135</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>158,198</u>	
End of year			<u>\$ 298,533</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Marilyn Murphy Kane Trail Reserve Special Revenue Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ (256)	\$ (1,256)
	<u>1,000</u>	<u>1,000</u>	<u>(256)</u>	<u>(1,256)</u>
<b>Total revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>(256)</u>	<u>(1,256)</u>
<b>Net change in fund balances</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>(256)</u>	<u>\$ (1,256)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>104,483</u>	
End of year			<u>\$ 104,227</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Specific Plan Funds Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 9,000	\$ (8,559)	\$ (17,559)
Development fees	-	222,229	292,180	69,951
<b>Total revenues</b>	<b>-</b>	<b>231,229</b>	<b>283,621</b>	<b>52,392</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	69,950	(69,950)
Capital outlay	1,445,244	1,445,244	640,764	804,480
<b>Total expenditures</b>	<b>1,445,244</b>	<b>1,445,244</b>	<b>710,714</b>	<b>734,530</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(225,194)	(224,811)	383
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(225,194)</b>	<b>(224,811)</b>	<b>383</b>
<b>Net change in fund balances</b>	<b>\$ (1,445,244)</b>	<b>\$ (1,439,209)</b>	<b>(651,904)</b>	<b>\$ 787,305</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,105,738	
End of year			\$ 1,453,834	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Vehicle Registration Fees Special Revenue Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 3,000	\$ (1,512)	\$ (4,512)
Intergovernmental	-	304,850	342,796	37,946
<b>Total revenues</b>	-	307,850	341,284	33,434
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	68,052	68,052	-
Capital outlay	-	563,434	139,842	423,592
<b>Total expenditures</b>	-	631,486	207,894	423,592
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (323,636)</b>	133,390	<b>\$ 457,026</b>
<b>FUND BALANCES:</b>				
Beginning of year			362,934	
End of year			\$ 496,324	

## NON-MAJOR DEBT SERVICE FUND

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

### **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 Fund  
June 30, 2013

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	2004 COPs
<b>ASSETS</b>	
Restricted cash and investments	\$ 394,972
<b>Total assets</b>	<b>\$ 394,972</b>
<b>FUND BALANCES</b>	
Restricted	\$ 394,972
<b>Total fund balances</b>	<b>\$ 394,972</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Debt Service Fund**  
**For the year ended June 30, 2013**

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	2004 COPs
<b>REVENUES:</b>	
Use of money and property	\$ 65
<b>Total operating revenues</b>	<b>65</b>
<b>EXPENDITURES:</b>	
Debt service:	
Principal	355,000
Interest	30,536
<b>Total expenditures</b>	<b>385,536</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(385,471)</b>
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers in	385,480
<b>Total other financing sources (uses)</b>	<b>385,480</b>
<b>Net change in fund balances</b>	<b>9</b>
<b>FUND BALANCES:</b>	
Beginning of year	394,963
End of year	<b>\$ 394,972</b>

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2004 COPs Debt Service Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 65	\$ 65
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>65</u>	<u>65</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	355,000	355,000	355,000	-
Interest, fiscal charges	30,536	30,536	30,536	-
<b>Total expenditures</b>	<u>385,536</u>	<u>385,536</u>	<u>385,536</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(385,536)</u>	<u>(385,536)</u>	<u>(385,471)</u>	<u>65</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	385,536	385,536	385,480	(56)
<b>Total other financing sources (uses)</b>	<u>385,536</u>	<u>385,536</u>	<u>385,480</u>	<u>(56)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	9	<u>\$ 9</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>394,963</u>	
End of year			<u>\$ 394,972</u>	

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## NON-MAJOR CAPITAL PROJECTS FUNDS

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

### **Miscellaneous Capital Improvement Program**

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

### **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.

### **Public Facilities**

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.

### **Park Development**

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

### **Street Capital Improvement Program**

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

### **Traffic Impact**

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

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

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

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

This fund was set up in 2000-01. A percentage of the traffic impact fees collected from developers are deposited in this fund and used for the construction of the Bernal interchange.

### **Budgeted Developer Projects**

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

### **Assessment District Construction**

This fund includes the construction funds of Assessment District NPID 1 and Assessment District Stoneridge Business Center. The projects include street and intersection improvements.

## **NON-MAJOR CAPITAL PROJECTS FUNDS, Continued**

### **Tri-Valley Transportation**

The City, as a member of the Tri-Valley Transportation Council, collects a fee from developers to finance projects to reduce traffic-related impacts caused by future developments.

### **Mutual Benefits District**

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

### **Park Capital Improvement Program**

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



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**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2013**

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Street Capital Improvement Program	Traffic Impact
<b>ASSETS</b>						
Cash and investments	\$ 5,258,111	\$ 3,485,675	\$ 2,886,979	\$ 4,091,561	\$ 6,777,712	\$ 3,986,886
Receivables:						
Accounts	2,926	0	-	-	73,659	-
Interest	10,420	6,117	5,090	6,725	11,901	6,756
Deposits	-	1,002,371	-	-	-	-
<b>Total assets</b>	<b>\$ 5,271,457</b>	<b>\$ 4,494,163</b>	<b>\$ 2,892,069</b>	<b>\$ 4,098,286</b>	<b>\$ 6,863,272</b>	<b>\$ 3,993,642</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 3,210	\$ -	\$ -	\$ -	\$ 121,044	\$ 25,272
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>3,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,044</b>	<b>25,272</b>
<b>Fund Balances:</b>						
Restricted	-	4,494,163	2,892,069	4,098,286	-	3,968,370
Assigned	5,268,247	-	-	-	6,742,228	-
<b>Total fund balances</b>	<b>5,268,247</b>	<b>4,494,163</b>	<b>2,892,069</b>	<b>4,098,286</b>	<b>6,742,228</b>	<b>3,968,370</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,271,457</b>	<b>\$ 4,494,163</b>	<b>\$ 2,892,069</b>	<b>\$ 4,098,286</b>	<b>\$ 6,863,272</b>	<b>\$ 3,993,642</b>

Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ 1,130,959	\$ 573,671	\$ 8,361,924	\$ 1,958,186	\$ 672,936	\$ 89,667	\$ 8,953,685	\$ 48,227,952
-	-	-	-	-	-	-	76,585
1,987	1,007	14,661	536	1,146	-	11,835	78,181
-	-	-	-	-	-	-	1,002,371
<u>\$ 1,132,946</u>	<u>\$ 574,678</u>	<u>\$ 8,376,585</u>	<u>\$ 1,958,722</u>	<u>\$ 674,082</u>	<u>\$ 89,667</u>	<u>\$ 8,965,520</u>	<u>\$ 49,385,089</u>
\$ 255	\$ 38,404	308,916	\$ -	\$ 5,021	\$ -	\$ 447,916	\$ 950,038
-	-	-	-	-	89,667	-	89,667
255	38,404	308,916	-	5,021	89,667	447,916	1,039,705
1,132,691	536,274	8,067,669	1,958,722	669,061	-	-	27,817,305
-	-	-	-	-	-	8,517,604	20,528,079
1,132,691	536,274	8,067,669	1,958,722	669,061	-	8,517,604	48,345,384
<u>\$ 1,132,946</u>	<u>\$ 574,678</u>	<u>\$ 8,376,585</u>	<u>\$ 1,958,722</u>	<u>\$ 674,082</u>	<u>\$ 89,667</u>	<u>\$ 8,965,520</u>	<u>\$ 49,385,089</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, 2013**

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Street Capital Improvement Program	Traffic Impact
<b>REVENUES:</b>						
Use of money and property	\$ (16,155)	\$ (11,305)	\$ (9,925)	\$ (11,803)	\$ (21,664)	\$ (13,540)
Taxes	-	16,838	-	-	-	-
Development fees	-	-	351,224	242,675	28,350	765,615
Reimbursements	-	-	-	-	316,348	-
Contributions and donations	57,193	-	-	-	-	-
Other revenues	14,120	6,760	-	-	-	-
<b>Total revenues</b>	<b>55,158</b>	<b>12,293</b>	<b>341,299</b>	<b>230,872</b>	<b>323,034</b>	<b>752,075</b>
<b>EXPENDITURES:</b>						
Current:						
Operations services	133,500	-	-	-	4,974	11,141
Community activities	147,835	-	1,536	-	-	-
Community development	-	1,000	-	-	-	-
Capital outlay	16,524	-	2,775	20,281	1,153,030	25,273
Debt service						
Principal	368,000	-	100,000	-	-	-
Interest	6,739	-	-	-	-	-
<b>Total expenditures</b>	<b>672,598</b>	<b>1,000</b>	<b>104,311</b>	<b>20,281</b>	<b>1,158,004</b>	<b>36,414</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(617,440)</b>	<b>11,293</b>	<b>236,988</b>	<b>210,591</b>	<b>(834,970)</b>	<b>715,661</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	196,748	-	-	75,000	209,699	-
Transfers out	(1,019,699)	-	(75,000)	-	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<b>(822,951)</b>	<b>-</b>	<b>(75,000)</b>	<b>75,000</b>	<b>(790,301)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,440,391)</b>	<b>11,293</b>	<b>161,988</b>	<b>285,591</b>	<b>(1,625,271)</b>	<b>715,661</b>
<b>FUND BALANCES:</b>						
Beginning of year	6,708,638	4,482,870	2,730,081	3,812,695	8,367,499	3,252,709
End of year	\$ 5,268,247	\$ 4,494,163	\$ 2,892,069	\$ 4,098,286	\$ 6,742,228	\$ 3,968,370

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
\$ (3,743)	\$ (1,985)	(31,027)	\$ 3,477	\$ (2,648)	\$ -	\$ (17,679)	\$ (137,997)
-	-	-	-	-	-	-	16,838
-	-	-	-	76,854	-	-	1,464,718
-	-	-	-	-	-	-	316,348
-	-	120,520	-	-	-	-	177,713
-	-	-	-	-	-	2,130	23,010
(3,743)	(1,985)	89,493	3,477	74,206	-	(15,549)	1,860,630
35,156	-	-	25,159	356	-	-	210,286
-	-	-	-	-	-	50,284	199,655
-	42,288	308,916	(1)	87,648	-	308,234	1,964,968
-	-	-	-	-	-	-	468,000
-	-	-	-	-	-	-	6,739
35,156	42,288	308,916	25,158	88,004	-	358,518	2,850,648
(38,899)	(44,273)	(219,423)	(21,681)	(13,798)	-	(374,067)	(990,018)
-	-	-	-	-	-	1,810,000	2,291,447
-	-	-	-	-	-	-	(2,094,699)
-	-	-	-	-	-	1,810,000	196,748
(38,899)	(44,273)	(219,423)	(21,681)	(13,798)	-	1,435,933	(793,270)
1,171,590	580,547	8,287,092	1,980,403	682,859	-	7,081,671	49,138,654
\$ 1,132,691	\$ 536,274	\$ 8,067,669	\$ 1,958,722	\$ 669,061	\$ -	\$ 8,517,604	\$ 48,345,384

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 25,000	\$ (16,155)	\$ (41,155)
Contributions and donations	-	7,000	57,193	50,193
Other revenues	-	16,000	14,120	(1,880)
<b>Total revenues</b>	<u>10,000</u>	<u>48,000</u>	<u>55,158</u>	<u>7,158</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	386,000	133,500	133,500	-
Community activities	-	404,377	147,835	256,542
Capital outlay	3,503,484	1,842,114	16,524	1,825,590
Debt service				
Principal	2,778,739	2,778,739	368,000	2,410,739
Interest	-	-	6,739	(6,739)
<b>Total expenditures</b>	<u>6,668,223</u>	<u>5,158,730</u>	<u>672,598</u>	<u>4,486,132</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,658,223)</u>	<u>(5,110,730)</u>	<u>(617,440)</u>	<u>4,493,290</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	196,748	196,748	-
Transfers out	-	(1,019,699)	(1,019,699)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(822,951)</u>	<u>(822,951)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (6,658,223)</u>	<u>\$ (5,933,681)</u>	<u>(1,440,391)</u>	<u>\$ 4,493,290</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>6,708,638</u>	
End of year			<u>\$ 5,268,247</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CIP for Downtown and North Pleasanton Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 34,000	\$ 17,000	\$ (11,305)	\$ (28,305)
Taxes	-	-	16,838	16,838
Other revenues	-	-	6,760	6,760
<b>Total revenues</b>	<b>34,000</b>	<b>17,000</b>	<b>12,293</b>	<b>(4,707)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,000	1,000	1,000	-
Capital outlay	1,000,000	1,000,000	-	1,000,000
<b>Total expenditures</b>	<b>1,001,000</b>	<b>1,001,000</b>	<b>1,000</b>	<b>1,000,000</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(967,000)</b>	<b>(984,000)</b>	<b>11,293</b>	<b>995,293</b>
<b>Net change in fund balances</b>	<b>\$ (967,000)</b>	<b>\$ (984,000)</b>	<b>11,293</b>	<b>\$ 995,293</b>
<b>FUND BALANCES:</b>				
Beginning of year			4,482,870	
End of year			<b>\$ 4,494,163</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Public Facilities Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 8,400	\$ 12,000	\$ (9,925)	\$ (21,925)
Development fees	276,461	196,121	351,224	155,103
<b>Total revenues</b>	<b>284,861</b>	<b>208,121</b>	<b>341,299</b>	<b>133,178</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	1,536	1,536	-
Capital outlay	2,575,508	2,475,508	2,775	2,472,733
Debt service				
Principal	-	100,000	100,000	-
<b>Total expenditures</b>	<b>2,575,508</b>	<b>2,577,044</b>	<b>104,311</b>	<b>2,472,733</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(75,000)	(75,000)	(75,000)	-
<b>Total other financing sources (uses)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (2,365,647)</b>	<b>\$ (2,443,923)</b>	<b>161,988</b>	<b>\$ 2,605,911</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,730,081	
End of year			<b>\$ 2,892,069</b>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Park Development Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,050	\$ 20,000	\$ (11,803)	\$ (31,803)
Development fees	514,471	203,847	242,675	38,828
<b>Total revenues</b>	<u>517,521</u>	<u>223,847</u>	<u>230,872</u>	<u>7,025</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>3,251,617</u>	<u>3,251,617</u>	<u>20,281</u>	<u>3,231,336</u>
<b>Total expenditures</b>	<u>3,251,617</u>	<u>3,251,617</u>	<u>20,281</u>	<u>3,231,336</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,734,096)</u>	<u>(3,027,770)</u>	<u>210,591</u>	<u>3,238,361</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (2,659,096)</u>	<u>\$ (2,952,770)</u>	<u>285,591</u>	<u>\$ 3,238,361</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,812,695</u>	
End of year			<u>\$ 4,098,286</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Street Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 5,000	\$ 40,000	\$ (21,664)	\$ (61,664)
Development fees	50,000	11,550	28,350	16,800
Reimbursements	-	198,128	316,348	118,220
<b>Total revenues</b>	<u>55,000</u>	<u>249,678</u>	<u>323,034</u>	<u>73,356</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services			4,974	(4,974)
Capital outlay	8,952,081	7,737,276	1,153,030	6,584,246
<b>Total expenditures</b>	<u>8,952,081</u>	<u>7,737,276</u>	<u>1,158,004</u>	<u>6,579,272</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,897,081)</u>	<u>(7,487,598)</u>	<u>(834,970)</u>	<u>6,652,628</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	209,699	209,699	-
Transfers out		(1,000,000)	(1,000,000)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(790,301)</u>	<u>(790,301)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (8,897,081)</u>	<u>\$ (8,277,899)</u>	<u>(1,625,271)</u>	<u>\$ 6,652,628</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>8,367,499</u>	
End of year			<u>\$ 6,742,228</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 7,950	\$ 20,000	\$ (13,540)	\$ (33,540)
Development fees	1,104,221	494,259	765,615	271,356
<b>Total revenues</b>	<u>1,112,171</u>	<u>514,259</u>	<u>752,075</u>	<u>237,816</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	11,141	11,141	-
Capital outlay	1,359,033	1,359,033	25,273	1,333,760
<b>Total expenditures</b>	<u>1,359,033</u>	<u>1,370,174</u>	<u>36,414</u>	<u>1,333,760</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(246,862)</u>	<u>(855,915)</u>	<u>715,661</u>	<u>1,571,576</u>
<b>Net change in fund balances</b>	<u>\$ (246,862)</u>	<u>\$ (855,915)</u>	<u>715,661</u>	<u>\$ 1,571,576</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,252,709</u>	
End of year			<u>\$ 3,968,370</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance N.P.I.D. Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 11,610	\$ 5,500	\$ (3,743)	\$ (9,243)
<b>Total revenues</b>	<u>11,610</u>	<u>5,500</u>	<u>(3,743)</u>	<u>(9,243)</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	46,474	35,156	11,318
<b>Total expenditures</b>	<u>-</u>	<u>46,474</u>	<u>35,156</u>	<u>11,318</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>11,610</u>	<u>(40,974)</u>	<u>(38,899)</u>	<u>2,075</u>
<b>Net change in fund balances</b>	<u>\$ 11,610</u>	<u>\$ (40,974)</u>	<u>(38,899)</u>	<u>\$ 2,075</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,171,590</u>	
End of year			<u>\$ 1,132,691</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact - Bernal Capital Projects Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 1,200	\$ 2,500	\$ (1,985)	\$ (4,485)
<b>Total revenues</b>	<u>1,200</u>	<u>2,500</u>	<u>(1,985)</u>	<u>(4,485)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	<u>456,326</u>	<u>456,326</u>	<u>42,288</u>	<u>414,038</u>
<b>Total expenditures</b>	<u>456,326</u>	<u>456,326</u>	<u>42,288</u>	<u>414,038</u>
<b>Net change in fund balances</b>	<u>\$ (455,126)</u>	<u>\$ (453,826)</u>	<u>(44,273)</u>	<u>\$ 409,553</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>580,547</u>	
End of year			<u>\$ 536,274</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Budgeted Developer Projects Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 48,961	\$ (31,027)	\$ (79,988)
Contributions and donations	-	120,520	120,520	-
<b>Total revenues</b>	<u>10,000</u>	<u>169,481</u>	<u>89,493</u>	<u>(79,988)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>7,518,124</u>	<u>7,613,464</u>	<u>308,916</u>	<u>7,304,548</u>
<b>Total expenditures</b>	<u>7,518,124</u>	<u>7,613,464</u>	<u>308,916</u>	<u>7,304,548</u>
<b>Net change in fund balances</b>	<u><u>\$ (7,508,124)</u></u>	<u><u>\$ (7,443,983)</u></u>	<u>(219,423)</u>	<u><u>\$ 7,224,560</u></u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>8,287,092</u>	
End of year			<u><u>\$ 8,067,669</u></u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Assessment District Construction Capital Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,490	\$ 4,480	\$ 3,477	\$ (1,003)
<b>Total revenues</b>	<b>3,490</b>	<b>4,480</b>	<b>3,477</b>	<b>(1,003)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	22,291	25,159	25,159	-
Capital outlay	1,632,880	1,536,118	(1)	1,536,119
<b>Total expenditures</b>	<b>1,655,171</b>	<b>1,561,277</b>	<b>25,158</b>	<b>1,536,119</b>
<b>Net change in fund balances</b>	<b>\$ (1,651,681)</b>	<b>\$ (1,556,797)</b>	<b>(21,681)</b>	<b>\$ 1,535,116</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,980,403	
End of year			<b>\$ 1,958,722</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Tri-Valley Transportation Capital Projects Fund**  
**For the year ended June 30, 2013**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>				
Use of money and property	\$ 1,050	\$ 3,000	\$ (2,648)	\$ (5,648)
Development fees	146,359	38,875	76,854	37,979
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenues</b>	147,409	41,875	74,206	32,331
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	356	356	-
Capital outlay	564,274	564,274	87,648	476,626
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	564,274	564,630	88,004	476,626
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net change in fund balances</b>	<u>\$ (416,865)</u>	<u>\$ (522,755)</u>	(13,798)	<u>\$ 508,957</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>682,859</u>	
End of year			<u>\$ 669,061</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Mutual Benefits District Fund Capital Projects Fund**  
**For the year ended June 30, 2013**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Park Capital Improvement Projects Fund**  
**For the year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 600	\$ 36,000	\$ (17,679)	\$ (53,679)
Other revenues	-	-	2,130	2,130
<b>Total revenues</b>	<u>600</u>	<u>36,000</u>	<u>(15,549)</u>	<u>(51,549)</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	-	50,284	(50,284)
Capital outlay	6,993,193	8,798,177	308,234	8,489,943
<b>Total expenditures</b>	<u>6,993,193</u>	<u>8,798,177</u>	<u>358,518</u>	<u>8,439,659</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,992,593)</u>	<u>(8,762,177)</u>	<u>(374,067)</u>	<u>8,388,110</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,810,000	1,810,000	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,810,000</u>	<u>1,810,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (6,992,593)</u>	<u>\$ (6,952,177)</u>	1,435,933	<u>\$ 8,388,110</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>7,081,671</u>	
End of year			<u>\$ 8,517,604</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.

### **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**

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 Position**  
**Non-Major Enterprise Funds**  
**June 30, 2013**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 7,082	\$ 424,453	\$ 403,503	\$ 663	\$ 835,701
Receivables (net):					
Accounts	42,885	29,907	-	77	72,869
Interest	-	628	-	1	629
<b>Total current assets</b>	<b>49,967</b>	<b>454,988</b>	<b>403,503</b>	<b>741</b>	<b>909,199</b>
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	10,000	51,750	-	61,750
Depreciable	90,787	-	246,900	-	337,687
<b>Total noncurrent assets</b>	<b>90,787</b>	<b>10,000</b>	<b>298,650</b>	<b>-</b>	<b>399,437</b>
<b>Total assets</b>	<b>140,754</b>	<b>464,988</b>	<b>702,153</b>	<b>741</b>	<b>1,308,636</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	219	4,266	13,802	-	18,287
Payroll payable	6,149	-	-	-	6,149
Due to other funds	42,791	-	-	-	42,791
Refundable deposits	-	-	11,618	-	11,618
Deferred revenue	808	-	92,280	-	93,088
<b>Total current liabilities</b>	<b>49,967</b>	<b>4,266</b>	<b>117,700</b>	<b>-</b>	<b>171,933</b>
<b>Total liabilities</b>	<b>49,967</b>	<b>4,266</b>	<b>117,700</b>	<b>-</b>	<b>171,933</b>
<b>NET POSITION</b>					
Net investment in capital assets	90,787	10,000	298,650	-	399,437
Unrestricted	-	450,722	285,803	741	737,266
<b>Total net position</b>	<b>\$ 90,787</b>	<b>\$ 460,722</b>	<b>\$ 584,453</b>	<b>\$ 741</b>	<b>\$ 1,136,703</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2013**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 32,728	\$ 77,242	\$ 163,515	\$ -	\$ 273,485
Miscellaneous	-	-	139,702	708	140,410
<b>Total operating revenues</b>	<b>32,728</b>	<b>77,242</b>	<b>303,217</b>	<b>708</b>	<b>413,895</b>
<b>OPERATING EXPENSES:</b>					
Personnel services	513,404	-	140,831	-	654,235
Transportation	62,611	-	-	-	62,611
Repairs and maintenance	4,293	-	75,081	-	79,374
Materials, supplies, and services	7,859	29,656	67,178	-	104,693
Depreciation	55,615	-	92,860	-	148,475
<b>Total operating expenses</b>	<b>643,782</b>	<b>29,656</b>	<b>375,950</b>	<b>-</b>	<b>1,049,388</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(611,054)</b>	<b>47,586</b>	<b>(72,733)</b>	<b>708</b>	<b>(635,493)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Grants	53,470	-	-	-	53,470
Intergovernmental	133,686	-	-	-	133,686
Interest income	-	(1,505)	1,843	(3)	335
<b>Total non-operating revenues (expenses)</b>	<b>187,156</b>	<b>(1,505)</b>	<b>1,843</b>	<b>(3)</b>	<b>187,491</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(423,898)</b>	<b>46,081</b>	<b>(70,890)</b>	<b>705</b>	<b>(448,002)</b>
Transfers in	368,283	30,000	-	-	398,283
Transfers out	-	(196,748)	-	-	(196,748)
<b>Change in net position</b>	<b>(55,615)</b>	<b>(120,667)</b>	<b>(70,890)</b>	<b>705</b>	<b>(246,467)</b>
<b>NET POSITION:</b>					
Beginning of year	146,402	581,389	655,343	36	1,383,170
End of year	<b>\$ 90,787</b>	<b>\$ 460,722</b>	<b>\$ 584,453</b>	<b>\$ 741</b>	<b>\$ 1,136,703</b>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2013**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from customers	\$ 54,425	\$ 67,655	\$ 149,230	\$ (77)	\$ 271,233
Cash payments to suppliers for goods and services	(88,485)	(29,897)	(146,182)	-	(264,564)
Cash payments to employees for services	(514,297)	-	(140,831)	-	(655,128)
Miscellaneous revenue	-	-	139,702	708	140,410
<b>Net cash provided (used) by operating activities</b>	<b>(548,357)</b>	<b>37,758</b>	<b>1,919</b>	<b>631</b>	<b>(508,049)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Grants received	53,470	-	-	-	53,470
Intergovernmental funds received	133,686	-	-	-	133,686
Transfer in	368,283	30,000	-	-	398,283
Transfer out	-	(196,748)	-	-	(196,748)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>555,439</b>	<b>(166,748)</b>	<b>-</b>	<b>-</b>	<b>388,691</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital assets acquisition	-	-	(14,271)	-	(14,271)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(14,271)</b>	<b>-</b>	<b>(14,271)</b>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES</b>					
Interest received	-	(1,135)	1,843	(4)	704
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>(1,135)</b>	<b>1,843</b>	<b>(4)</b>	<b>704</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,082</b>	<b>(130,125)</b>	<b>(10,509)</b>	<b>627</b>	<b>(132,925)</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	-	554,578	414,012	36	968,626
End of year	\$ 7,082	\$ 424,453	\$ 403,503	\$ 663	\$ 835,701
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (611,054)	\$ 47,586	\$ (72,733)	\$ 708	\$ (635,493)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	55,615	-	92,860	-	148,475
Decrease (increase) in:					
Accounts receivable	21,871	(9,587)	-	(77)	12,207
Increase (decrease) in:					
Accounts payable	(127)	(241)	(3,923)	-	(4,291)
Accrued payroll	(893)	-	-	-	(893)
Due to other funds	(13,595)	-	-	-	(13,595)
Deferred revenue	(174)	-	(14,072)	-	(14,246)
Refundable deposits	-	-	(213)	-	(213)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (548,357)</b>	<b>\$ 37,758</b>	<b>\$ 1,919</b>	<b>\$ 631</b>	<b>\$ (508,049)</b>

## INTERNAL SERVICE FUNDS

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

### **Employee Benefits**

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

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

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

### **Replacement / Renovation**

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

### **LPFD Retirees Insurance Reserve (Pleasanton Share Only)**

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 Position**  
**Internal Service Funds**  
**June 30, 2013**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 10,172,300	\$ 314,805	\$ 20,597,726	\$ 2,774,666
Accounts receivable	3,969	-	15,594	41,188
Interest receivable	17,335	556	36,033	5,052
Prepaid expense	-	-	486,018	-
<b>Total current assets</b>	<b>10,193,604</b>	<b>315,361</b>	<b>21,135,371</b>	<b>2,820,906</b>
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Nondepreciable	-	318,893	260,627	-
Depreciable	-	-	8,421,977	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>318,893</b>	<b>8,682,604</b>	<b>-</b>
<b>Total assets</b>	<b>10,193,604</b>	<b>634,254</b>	<b>29,817,975</b>	<b>2,820,906</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	574,319	4,602	187,943	1,752
Payroll payable	-	-	-	-
Accrued compensated absences	1,203,276	-	-	-
Claims payable	2,199,958	-	-	-
<b>Total current liabilities</b>	<b>3,977,553</b>	<b>4,602</b>	<b>187,943</b>	<b>1,752</b>
Noncurrent liabilities:				
Advances from other funds	5,459,008	-	-	-
Accrued compensated absences	3,232,256	-	-	-
Claims payable	3,629,648	-	-	-
<b>Total noncurrent liabilities</b>	<b>12,320,912</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>16,298,465</b>	<b>4,602</b>	<b>187,943</b>	<b>1,752</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	8,682,604	-
Unrestricted	(6,104,861)	629,652	20,947,428	2,819,154
<b>Total net position</b>	<b>\$ (6,104,861)</b>	<b>\$ 629,652</b>	<b>\$ 29,630,032</b>	<b>\$ 2,819,154</b>



Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 6,236,724	\$ 19,231,390	\$ 1,000,000	\$ 60,327,611
-	201,065	-	261,816
9,855	39,742	-	108,573
-	-	-	486,018
6,246,579	19,472,197	1,000,000	61,184,018
-	5,459,008	-	5,459,008
-	-	-	579,520
-	-	-	8,421,977
-	5,459,008	-	14,460,505
6,246,579	24,931,205	1,000,000	75,644,523
237	24,253	-	793,106
-	-	-	-
-	-	-	1,203,276
186,086	-	-	2,386,044
186,323	24,253	-	4,382,426
-	-	-	5,459,008
-	-	-	3,232,256
588,669	-	-	4,218,317
588,669	-	-	12,909,581
774,992	24,253	-	17,292,007
-	-	-	8,682,604
5,471,587	24,906,952	1,000,000	49,669,912
\$ 5,471,587	\$ 24,906,952	\$ 1,000,000	\$ 58,352,516

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2013**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 20,359,253	\$ -	\$ 2,308,831	\$ 352,181
Miscellaneous	40,734	-	-	-
<b>Total operating revenues</b>	<b>20,399,987</b>	<b>-</b>	<b>2,308,831</b>	<b>352,181</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	17,661,263	-	-	1,212,102
Materials, supplies, and services	3,921,753	31,634	1,862,006	424
Depreciation and amortization	-	-	1,323,070	-
<b>Total operating expenses</b>	<b>21,583,016</b>	<b>31,634</b>	<b>3,185,076</b>	<b>1,212,526</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,183,029)</b>	<b>(31,634)</b>	<b>(876,245)</b>	<b>(860,345)</b>
<b>NONOPERATING REVENUES/EXPENSES:</b>				
Interest income	(36,681)	(1,035)	(64,536)	(7,778)
Gain (loss) from disposal of capital assets	-	-	(7,146)	-
<b>Total non-operating revenues (expenses)</b>	<b>(36,681)</b>	<b>(1,035)</b>	<b>(71,682)</b>	<b>(7,778)</b>
<b>Income before Transfers in (out)</b>	<b>(1,219,710)</b>	<b>(32,669)</b>	<b>(947,927)</b>	<b>(868,123)</b>
Capital contributions	-	-	182,000	-
Transfers in	478,000	-	92,699	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>478,000</b>	<b>-</b>	<b>274,699</b>	<b>-</b>
Special items	(656,471)	-	-	(3,687,499)
<b>Change in net position</b>	<b>(1,398,181)</b>	<b>(32,669)</b>	<b>(673,228)</b>	<b>(4,555,622)</b>
<b>NET POSITION:</b>				
Beginning of year	(4,706,680)	662,321	30,303,260	7,374,776
End of year	<b>\$ (6,104,861)</b>	<b>\$ 629,652</b>	<b>\$ 29,630,032</b>	<b>\$ 2,819,154</b>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 1,000,000	\$ 6,767,770	\$ -	\$ 30,788,035
9,076	-	-	49,810
<u>1,009,076</u>	<u>6,767,770</u>	<u>-</u>	<u>30,837,845</u>
-	6,244,489	2,000,000	27,117,854
989,857	3,648	-	6,809,322
-	-	-	1,323,070
<u>989,857</u>	<u>6,248,137</u>	<u>2,000,000</u>	<u>35,250,246</u>
19,219	519,633	(2,000,000)	(4,412,401)
(24,075)	(16,443)	30	(150,518)
-	-	-	(7,146)
<u>(24,075)</u>	<u>(16,443)</u>	<u>30</u>	<u>(157,664)</u>
(4,856)	503,190	(1,999,970)	(4,570,065)
-	-	-	182,000
-	-	1,000,000	1,570,699
-	(7,000,643)	(12,356)	(7,012,999)
-	(7,000,643)	987,644	(5,260,300)
-	-	-	(4,343,970)
(4,856)	(6,497,453)	(1,012,326)	(14,174,335)
5,476,443	31,404,405	2,012,326	72,526,851
<u>\$ 5,471,587</u>	<u>\$ 24,906,952</u>	<u>\$ 1,000,000</u>	<u>\$ 58,352,516</u>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2013**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LFPD Retirees Insurance Reserve (Pleasanton Share Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customer/other funds	\$ 20,375,291	\$ -	\$ 2,315,386	\$ 310,993
Cash payment to suppliers for goods and services	(2,139,502)	(31,076)	(1,878,938)	(101,083)
Cash payment to employees for services	(18,341,814)	-	-	(1,212,102)
Miscellaneous revenue	40,734	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>(65,291)</b>	<b>(31,076)</b>	<b>436,448</b>	<b>(1,002,192)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer in	478,000	-	92,699	-
Transfer out	-	-	-	-
Repayments on advances from other funds	(1,460,813)	-	-	-
Transfers to Agency funds	(656,471)	-	-	(3,687,499)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(1,639,284)</b>	<b>-</b>	<b>92,699</b>	<b>(3,687,499)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital assets acquisition	-	-	(1,892,189)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(1,892,189)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	(25,397)	(698)	(44,987)	5,467
Repayments on advances to other funds	-	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>(25,397)</b>	<b>(698)</b>	<b>(44,987)</b>	<b>5,467</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,729,972)</b>	<b>(31,774)</b>	<b>(1,408,029)</b>	<b>(4,684,224)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	11,902,272	346,579	22,005,755	7,458,890
End of year	\$ 10,172,300	\$ 314,805	\$ 20,597,726	\$ 2,774,666
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,183,029)	\$ (31,634)	\$ (876,245)	\$ (860,345)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,323,070	-
Decrease (increase) in:				
Accounts receivable	16,038	-	6,555	(41,188)
Prepaid expense	-	-	(68,650)	-
Increase (decrease) in:				
Accounts payable	(50,241)	558	51,718	(100,659)
Accrued compensated absences	(680,551)	-	-	-
Claims payable	1,832,492	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (65,291)</b>	<b>\$ (31,076)</b>	<b>\$ 436,448</b>	<b>\$ (1,002,192)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Contributed capital assets	\$ -	\$ -	\$ 182,000	\$ -
<b>Total noncash capital and related financing activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182,000</b>	<b>\$ -</b>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 1,005,635	\$ 6,566,705	\$ -	\$ 30,574,010
(1,232,580)	(272,504)	-	(5,655,683)
-	(6,244,489)	(2,000,000)	(27,798,405)
9,076	-	-	49,810
<u>(217,869)</u>	<u>49,712</u>	<u>(2,000,000)</u>	<u>(2,830,268)</u>
-	-	1,000,000	1,570,699
-	(7,000,643)	(12,356)	(7,012,999)
-	-	-	(1,460,813)
-	-	-	<u>(4,343,970)</u>
-	<u>(7,000,643)</u>	<u>987,644</u>	<u>(11,247,083)</u>
-	-	-	<u>(1,892,189)</u>
-	-	-	<u>(1,892,189)</u>
(19,977)	(3,838)	2,618	(86,812)
-	1,460,813	-	1,460,813
<u>(19,977)</u>	<u>1,456,975</u>	<u>2,618</u>	<u>1,374,001</u>
(237,846)	(5,493,956)	(1,009,738)	(14,595,539)
6,474,570	24,725,346	2,009,738	74,923,150
<u>\$ 6,236,724</u>	<u>\$ 19,231,390</u>	<u>\$ 1,000,000</u>	<u>\$ 60,327,611</u>
\$ 19,219	\$ 519,633	\$ (2,000,000)	\$ (4,412,401)
-	-	-	1,323,070
5,635	(201,065)	-	(214,025)
-	-	-	(68,650)
(149,766)	(268,856)	-	(517,246)
-	-	-	(680,551)
<u>(92,957)</u>	<u>-</u>	<u>-</u>	<u>1,739,535</u>
<u>\$ (217,869)</u>	<u>\$ 49,712</u>	<u>\$ (2,000,000)</u>	<u>\$ (2,830,268)</u>
\$ -	\$ -	\$ -	\$ 182,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,000</u>

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## AGENCY FUNDS

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

### **Employee Insurance Agency**

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

### **Downtown Merchant Improvements**

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

### **Asset Forfeiture Agency**

This fund collects the assets forfeited as a result of investigations of criminal 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 (i.e. Zone 7 water, DSRSD, Tri-Valley Transportation Council, etc), or organizations.

### **Cash Bonds Agency**

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

### **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.

### **Livermore-Pleasanton Fire Department Agency (Livermore Share Only)**

This fund accounts for the City of Livermore's share of Livermore-Pleasanton Fire Department activity related to operations, replacement and renovation of equipment, vehicles and facilities, retiree medical and workers' compensation.

**City of Pleasanton**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2013**

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
<b>ASSETS</b>					
Cash and investments	\$ 33,836	\$ 34,207	\$ 11,529	\$ 1,086,144	\$ 741,748
Receivables:					
Accounts	41,238	-	-	735,663	-
Interest	-	57	-	-	-
Notes receivable	-	-	-	31,610	-
<b>Total assets</b>	<b>\$ 75,074</b>	<b>\$ 34,264</b>	<b>\$ 11,529</b>	<b>\$ 1,853,417</b>	<b>\$ 741,748</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 805	\$ -	\$ -	\$ 1,625,838	\$ -
Claims					
Accrued compensated absences					
Due to other funds	8,635	-	-	-	-
Deferred revenue	-	-	-	-	-
Loan payable	-	-	-	31,610	-
Deposits	65,634	34,264	11,529	195,969	741,748
<b>Total liabilities</b>	<b>\$ 75,074</b>	<b>\$ 34,264</b>	<b>\$ 11,529</b>	<b>\$ 1,853,417</b>	<b>\$ 741,748</b>



Art Gallery Fund	Livermore- Pleasanton Fire Department (Livermore Share Only)	Total
\$ 231	\$ 4,590,534	\$ 6,498,229
-	50,473	827,374
-	6,865	6,922
-		31,610
<u>\$ 231</u>	<u>\$ 4,647,872</u>	<u>\$ 7,364,135</u>
\$ 231	\$ 63,699	\$ 1,690,573
	2,508,042	2,508,042
	579,369	579,369
-	-	8,635
-	5,219	5,219
-	-	31,610
-	1,491,543	2,540,687
<u>\$ 231</u>	<u>\$ 4,647,872</u>	<u>\$ 7,364,135</u>

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b><u>Employee Insurance Agency</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 38,520	\$ 782,367	\$ (787,051)	\$ 33,836
Accounts receivable	34,933	431,721	(425,416)	41,238
<b>Total assets</b>	<b>\$ 73,453</b>	<b>\$ 1,214,088</b>	<b>\$ (1,212,467)</b>	<b>\$ 75,074</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,786	\$ 504,082	\$ (507,063)	\$ 805
Due to other funds	8,637	8,635	(8,637)	8,635
Deposits	61,030	701,371	(696,767)	65,634
<b>Total liabilities</b>	<b>\$ 73,453</b>	<b>\$ 1,214,088</b>	<b>\$ (1,212,467)</b>	<b>\$ 75,074</b>
<b><u>Downtown Merchant Association</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 34,006	\$ 60,758	\$ (60,557)	\$ 34,207
Interest receivable	108	57	(108)	57
<b>Total assets</b>	<b>\$ 34,114</b>	<b>\$ 60,815</b>	<b>\$ (60,665)</b>	<b>\$ 34,264</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 60,557	\$ (60,557)	\$ -
Deposits	34,114	258	(108)	34,264
<b>Total liabilities</b>	<b>\$ 34,114</b>	<b>\$ 60,815</b>	<b>\$ (60,665)</b>	<b>\$ 34,264</b>
<b><u>Asset Forfeiture</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 11,529	\$ 5,906	\$ (5,906)	\$ 11,529
<b>Total assets</b>	<b>\$ 11,529</b>	<b>\$ 5,906</b>	<b>\$ (5,906)</b>	<b>\$ 11,529</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,906	\$ (5,906)	\$ -
Deposits	11,529	-	-	11,529
<b>Total liabilities</b>	<b>\$ 11,529</b>	<b>\$ 5,906</b>	<b>\$ (5,906)</b>	<b>\$ 11,529</b>
<b><u>Miscellaneous Agencies and Trust</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 986,559	\$ 12,287,807	\$ (12,188,222)	\$ 1,086,144
Receivables:				
Accounts	466,388	959,081	(689,806)	735,663
Notes	32,883	-	(1,273)	31,610
<b>Total assets</b>	<b>\$ 1,485,830</b>	<b>\$ 13,246,888</b>	<b>\$ (12,879,301)</b>	<b>\$ 1,853,417</b>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 1,237,685	\$ 10,782,358	\$ (10,394,205)	\$ 1,625,838
Notes	32,883	-	(1,273)	31,610
Deposits	215,262	2,464,530	(2,483,823)	195,969
<b>Total liabilities</b>	<b>\$ 1,485,830</b>	<b>\$ 13,246,888</b>	<b>\$ (12,879,301)</b>	<b>\$ 1,853,417</b>
<b><u>Cash Bonds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 834,163	\$ 150,675	\$ (243,090)	\$ 741,748
<b>Total assets</b>	<b>\$ 834,163</b>	<b>\$ 150,675</b>	<b>\$ (243,090)</b>	<b>\$ 741,748</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 101,975	\$ (101,975)	\$ -
Deposits	834,163	48,700	(141,115)	741,748
<b>Total liabilities</b>	<b>\$ 834,163</b>	<b>\$ 150,675</b>	<b>\$ (243,090)</b>	<b>\$ 741,748</b>

(Continued)

City of Pleasanton  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds, Continued  
For the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>Art Gallery Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 25	\$ 12,644	\$ (12,438)	\$ 231
<b>Total assets</b>	<u>\$ 25</u>	<u>\$ 12,644</u>	<u>\$ (12,438)</u>	<u>\$ 231</u>
<b>Liabilities:</b>				
Accounts payable	\$ 25	\$ 9,535	\$ (9,329)	\$ 231
Deposits	-	3,109	(3,109)	-
<b>Total liabilities</b>	<u>\$ 25</u>	<u>\$ 12,644</u>	<u>\$ (12,438)</u>	<u>\$ 231</u>
<b>Livermore-Pleasanton Fire Department (Livermore Share Only)</b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 4,590,534	\$ -	\$ 4,590,534
Receivables:				
Accounts	-	50,473	-	50,473
Interest	-	6,865	-	6,865
Notes	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 4,647,872</u>	<u>\$ -</u>	<u>\$ 4,647,872</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 63,700	\$ -	\$ 63,700
Claims payable	-	2,508,042	-	2,508,042
Accrued compensated absences	-	579,369	-	579,369
Deferred revenue	-	5,219	-	5,219
Deposits	-	1,491,542	-	1,491,542
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 4,647,872</u>	<u>\$ -</u>	<u>\$ 4,647,872</u>
<b>Total of All Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 1,904,802	\$ 17,890,691	\$ (13,297,264)	\$ 6,498,229
Receivables:				
Accounts	501,321	1,441,275	(1,115,222)	827,374
Interest	108	6,922	(108)	6,922
Restricted cash and investments	-	-	-	-
Notes receivable	32,883	-	(1,273)	31,610
<b>Total assets</b>	<u>\$ 2,439,114</u>	<u>\$ 19,338,888</u>	<u>\$ (14,413,867)</u>	<u>\$ 7,364,135</u>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 1,241,496	\$ 11,461,650	\$ (11,012,572)	\$ 1,690,574
Claims	-	2,508,042	-	2,508,042
Accrued compensated absences	-	579,369	-	579,369
Loan	32,883	-	(1,273)	31,610
Due to other funds	8,637	8,635	(8,637)	8,635
Deferred revenue	-	5,219	-	5,219
Deposits	1,156,098	4,709,510	(3,324,922)	2,540,686
<b>Total liabilities</b>	<u>\$ 2,439,114</u>	<u>\$ 19,272,425</u>	<u>\$ (14,347,404)</u>	<u>\$ 7,364,135</u>

(Concluded)

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## STATISTICAL SECTION

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

Contents	<u>Page</u>
<b><i>Financial Trends Information</i></b> This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	189
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<b><i>Debt Capacity Information</i></b> This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	209
<b><i>Demographic and Economic Information</i></b> 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.	217
<b><i>Operating Information</i></b> 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.	221

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## **Financial Trends Information**

**Net Position by Component - Last Ten Fiscal Years**

**Changes in Net Position - Last Ten Fiscal Years**

**Fund Balances - Last Ten Fiscal Years**

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

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

	<b>Fiscal Year Ended June 30</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Governmental Activities</b>				
<b>Net Investment in Capital</b>				
Assets <sup>(1)</sup>	\$ 372,119,378	\$ 380,390,639	\$ 376,469,051	\$ 378,710,205
Restricted	44,199,190	47,141,404	47,775,291	50,280,585
Unrestricted <sup>(2)</sup>	105,968,078	117,261,111	132,091,752	141,297,679
<b>Total government activities net position</b>	<b>\$ 522,286,646</b>	<b>\$ 544,793,154</b>	<b>\$ 556,336,094</b>	<b>\$ 570,288,469</b>
<b>Business-Type Activities</b>				
<b>Net Investment in Capital</b>				
Assets	\$ 164,784,413	\$ 175,189,829	\$ 183,167,289	\$ 204,187,116
Restricted	1,123,828	1,243,708	814,068	686,964
Unrestricted	58,750,236	54,511,151	58,875,845	56,449,170
<b>Total business-type activities net position</b>	<b>\$ 224,658,477</b>	<b>\$ 230,944,688</b>	<b>\$ 242,857,202</b>	<b>\$ 261,323,250</b>
<b>Primary Government</b>				
<b>Net Investment in Capital</b>				
Assets	\$ 536,903,791	\$ 555,580,468	\$ 559,636,340	\$ 582,897,321
Restricted	45,323,018	48,385,112	48,589,359	50,967,549
Unrestricted	164,718,314	171,772,262	190,967,597	197,746,849
<b>Total primary government activities net position</b>	<b>\$ 746,945,123</b>	<b>\$ 775,737,842</b>	<b>\$ 799,193,296</b>	<b>\$ 831,611,719</b>

**Notes:**

(1) The increase in net investment in capital assets in 2013 primarily reflects the redemption of the City's \$20.7 million outstanding 2003 Certificates of Participation (COPs).

(2) The reduction in unrestricted net position primarily reflects the use of General Fund reserves (\$13.2 million) and the Retirees Medical Reserve (\$6.5 million) to redeem the 2003 COPs. Additionally, \$3.7 million of the reduction resulted from the reclassification of the City of Livermore's share of LPFD financial activity from Governmental Funds to Agency Funds.



Fiscal Year Ended June 30					
2008	2009	2010	2011	2012	2013
\$ 387,184,839	\$ 408,670,524	\$ 447,001,813	\$ 442,888,249	\$ 459,571,666	\$ 478,640,595
56,544,224	49,187,538	52,277,108	53,388,353	53,945,028	54,730,098
<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>88,466,476</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>	<u>\$ 621,837,169</u>
\$ 210,923,039	\$ 214,389,793	\$ 210,069,900	\$ 202,753,118	\$ 196,819,739	\$ 189,306,314
620,850	610,294	264,948	2,267,923	4,273,502	4,630,314
<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>41,910,981</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>	<u>\$ 235,847,609</u>
\$ 598,107,878	\$ 623,060,317	\$ 657,071,713	\$ 645,641,367	\$ 656,391,405	\$ 667,946,909
57,165,074	49,797,832	52,542,056	55,656,276	58,218,530	59,360,412
<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>130,377,457</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>	<u>\$ 857,684,778</u>

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

	Fiscal Year Ended June 30			
	2004	2005	2006	2007
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services</b>				
General Government	\$ 200,296	\$ 535,485	\$ 488,237	\$ 540,607
Public Safety <sup>(1)</sup>	11,667,396	12,788,675	13,949,960	14,495,113
Community Development <sup>(2)</sup>	740,202	1,549,543	3,194,674	599,131
Operations Services <sup>(2)</sup>	4,112,858	3,602,716	3,634,892	3,216,986
Community Activities	3,313,130	3,300,615	3,425,758	3,899,454
Operating Grants & Contributions	4,652,966	4,674,945	5,695,141	3,641,293
Capital Grants & Contributions	48,129,129	14,099,033	12,350,368	10,113,847
<b>Total Government Activities:</b>	<u>72,815,977</u>	<u>40,551,012</u>	<u>42,739,030</u>	<u>36,506,431</u>
<b>Business-Type Activities:</b>				
<b>Charges for Services</b>				
Water	15,830,842	14,723,422	15,060,402	15,964,135
Sewer	10,970,513	10,910,064	10,947,581	13,489,859
Golf	3,700	-	2,671,290	4,564,478
Transit	34,362	43,077	38,740	39,284
Storm Drain	380,271	223,505	353,976	363,353
Cemetery	-	-	-	-
Pleasanton Housing Authority	166,371	149,706	231,478	142,447
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	2,955,665	4,494,296	7,559,908	12,107,855
<b>Total Business-Type Activities</b>	<u>30,341,724</u>	<u>30,544,070</u>	<u>36,863,375</u>	<u>46,671,411</u>
<b>Total Primary Government Revenues</b>	<u>\$ 103,157,701</u>	<u>\$ 71,095,082</u>	<u>\$ 79,602,405</u>	<u>\$ 83,177,842</u>
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 8,892,418	\$ 8,844,298	\$ 10,142,529	\$ 11,598,637
Public Safety <sup>(1)</sup>	34,392,664	39,354,201	43,286,424	45,396,698
Community Development <sup>(2)</sup>	4,927,532	3,954,646	7,376,026	5,527,218
Operations Services <sup>(2)</sup>	26,402,176	20,522,902	26,053,044	25,333,753
Community Activities	15,963,151	16,483,828	17,783,181	20,576,380
Interest on Long-Term Debt	1,444,009	1,445,994	1,276,016	1,232,732
<b>Total Government Activities:</b>	<u>92,021,950</u>	<u>90,605,869</u>	<u>105,917,220</u>	<u>109,665,418</u>
<b>Business-Type Activities:</b>				
Water	15,056,432	13,057,857	15,197,789	16,863,032
Sewer	11,279,697	11,558,840	11,457,129	12,906,227
Golf	44,620	346,627	2,810,105	5,904,610
Transit	537,470	475,477	518,813	508,760
Storm Drain	1,280,061	1,215,224	1,288,566	1,529,192
Cemetery	-	-	-	90,274
Pleasanton Housing Authority	230,384	290,944	343,746	397,526
<b>Total Business-Type Activities</b>	<u>28,428,664</u>	<u>26,944,969</u>	<u>31,616,148</u>	<u>38,199,621</u>
<b>Total Primary Government Expense</b>	<u>\$ 120,450,614</u>	<u>\$ 117,550,838</u>	<u>\$ 137,533,368</u>	<u>\$ 147,865,039</u>

**Notes:**

(1) The reduction in public safety charges for services revenue and public safety expenditures from 2012 to 2013 primarily reflects the reclassification of the City of Livermore's share of LFPD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds.

(2) In 2009, Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operations Services.

Fiscal Year Ended June 30					
2008	2009	2010	2011	2012	2013
\$ 539,443	\$ 553,377	\$ 552,655	\$ 600,615	\$ 530,379	\$ 847,400
15,748,044	15,222,341	15,438,986	15,133,410	15,349,962	1,925,017
579,215	2,143,307	1,881,698	1,263,487	4,213,319	5,070,801
3,074,811	115,257	180,938	254,425	172,033	488,833
4,005,599	3,794,922	3,316,593	3,409,771	3,814,092	3,786,304
3,090,744	4,238,873	2,352,064	2,344,348	1,981,223	2,339,740
21,607,143	15,900,420	7,684,713	9,269,252	28,315,596	8,257,001
<u>48,644,999</u>	<u>41,968,497</u>	<u>31,407,647</u>	<u>32,275,308</u>	<u>54,376,604</u>	<u>22,715,096</u>
15,535,004	14,882,156	14,045,288	15,906,217	17,858,731	19,874,140
11,178,802	10,461,999	10,693,533	11,201,749	12,450,545	12,873,074
4,578,857	4,374,085	4,182,190	3,871,138	3,924,212	3,921,815
43,130	42,289	40,306	40,278	36,393	32,728
356,724	361,563	365,816	370,024	365,155	347,612
-	-	-	349,941	102,046	77,242
159,226	175,873	160,093	155,609	153,255	163,515
-	-	-	-	-	182,854
7,075,196	10,913,306	665,225	-	478,160	78,595
<u>38,926,939</u>	<u>41,211,271</u>	<u>30,152,451</u>	<u>31,894,956</u>	<u>35,368,497</u>	<u>37,551,575</u>
<u>\$ 87,571,938</u>	<u>\$ 83,179,768</u>	<u>\$ 61,560,098</u>	<u>\$ 64,170,264</u>	<u>\$ 89,745,101</u>	<u>\$ 60,266,671</u>
\$ 9,928,811	\$ 10,751,657	\$ 14,462,794	\$ 11,320,194	\$ 11,287,857	\$ 10,983,778
47,939,264	53,586,653	53,923,103	53,346,944	61,545,745	47,486,526
5,054,123	12,485,756	10,931,688	11,383,162	12,614,316	18,502,872
27,080,827	16,774,701	16,120,414	25,859,451	25,072,278	20,676,081
20,866,873	25,180,011	21,559,193	13,238,584	12,186,269	11,705,687
1,202,153	1,159,175	1,122,135	1,077,908	1,048,843	1,528,110
<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>	<u>110,883,054</u>
16,671,095	20,941,922	17,710,045	18,783,261	20,624,535	22,028,379
13,883,619	13,968,779	14,794,022	13,818,267	14,216,171	14,050,710
5,737,159	5,249,520	5,530,246	5,048,601	5,146,812	5,154,023
557,103	708,954	687,793	694,687	690,067	668,192
1,531,754	1,894,830	1,866,985	1,822,769	1,746,357	1,758,604
58,407	47,983	207,186	36,998	22,544	29,656
372,050	413,767	425,771	453,270	380,940	375,950
<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>44,065,514</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>	<u>\$ 154,948,568</u>

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

	<b>Fiscal Year Ended June 30</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Net (Expenses)/Revenue:</b>				
<b>Governmental Activities:</b>	\$ (19,205,973)	\$ (50,054,857)	\$ (63,178,190)	\$ (73,158,987)
<b>Business-Type Activities:</b>	<u>1,913,060</u>	<u>3,599,101</u>	<u>5,247,227</u>	<u>8,471,790</u>
<b>Total Net (Expense)/Revenue</b>	<u>(17,292,913)</u>	<u>(46,455,756)</u>	<u>(57,930,963)</u>	<u>(64,687,197)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
<b>Taxes</b>				
Property taxes	33,310,777	36,670,867	41,257,246	45,341,149
Other taxes	6,341,691	7,080,946	7,484,133	7,534,768
Sales tax	18,555,644	19,885,692	21,029,378	21,060,115
Motor vehicle in lieu	2,916,339	714,960	1,538,398	403,401
Franchise fees	1,403,790	1,465,139	1,578,689	1,727,617
<b>Infrastructure maintenance contribution</b>	-	-	-	-
<b>Unrestricted investment earnings</b>	1,553,297	4,467,829	4,230,879	9,654,142
<b>Miscellaneous</b>	1,673,068	1,091,220	641,283	792,476
<b>Interfund charges</b>	170,367	1,413,457	1,322,631	-
<b>Gain/(loss) on sale of capital assets</b>	(3,592,355)	-	-	-
<b>Transfers</b>	<u>(375,744)</u>	<u>(1,126,044)</u>	<u>(4,361,507)</u>	<u>597,694</u>
<b>Total Government Activities:</b>	<u>61,956,874</u>	<u>71,664,066</u>	<u>74,721,130</u>	<u>87,111,362</u>
<b>Business-Type Activities:</b>				
<b>Unrestricted investment earnings</b>	400,146	1,733,994	1,109,607	2,181,462
<b>Equity interest in gain from joint ventures</b>	947,195	-	1,918,111	-
<b>Miscellaneous</b>	371,475	1,477,956	598,693	802,445
<b>Interfund charges</b>	(170,367)	(1,413,457)	(1,322,631)	-
<b>Gain/(loss) on sale of capital assets</b>	(6,676)	-	-	-
<b>Transfers</b>	<u>375,744</u>	<u>1,126,044</u>	<u>4,361,507</u>	<u>(597,694)</u>
<b>Total Business-Type Activities</b>	<u>1,917,517</u>	<u>2,924,537</u>	<u>6,665,287</u>	<u>2,386,213</u>
<b>Total Primary Government</b>	<u>63,874,391</u>	<u>74,588,603</u>	<u>81,386,417</u>	<u>89,497,575</u>
<b>Change in Net Position</b>				
<b>Governmental Activities:</b>	42,750,901	21,609,209	11,542,940	13,952,375
<b>Business-Type Activities:</b>	<u>3,830,577</u>	<u>6,523,638</u>	<u>11,912,514</u>	<u>10,858,003</u>
<b>Total Primary Government</b>	<u>\$ 46,581,478</u>	<u>\$ 28,132,847</u>	<u>\$ 23,455,454</u>	<u>\$ 24,810,378</u>

Fiscal Year Ended June 30

2008	2009	2010	2011	2012	2013
\$ (63,427,052)	\$ (77,969,456)	\$ (86,711,680)	\$ (83,950,935)	\$ (69,378,704)	\$ (88,167,958)
115,752	(2,014,484)	(11,069,597)	(8,762,897)	(7,458,929)	(6,513,939)
<u>(63,311,300)</u>	<u>(79,983,940)</u>	<u>(97,781,277)</u>	<u>(92,713,832)</u>	<u>(76,837,633)</u>	<u>(94,681,897)</u>
47,973,499	50,414,405	49,724,115	48,569,049	47,923,732	48,648,728
7,257,360	6,031,852	5,957,264	6,245,758	6,962,201	7,866,876
21,130,683	17,535,784	15,420,066	18,503,316	19,107,418	19,102,977
304,886	236,475	206,180	356,653	36,534	30,491
1,783,405	1,829,153	1,955,493	2,001,934	2,012,970	2,114,954
-	-	-	-	-	-
10,554,711	6,863,523	1,766,743	1,585,593	1,439,639	230,933
641,888	663,770	647,235	568,212	983,690	1,076,858
-	-	-	-	-	-
-	-	-	-	-	-
889,502	144,302	393,080	(622,606)	(828,865)	920,232
<u>90,535,934</u>	<u>83,719,264</u>	<u>76,070,176</u>	<u>77,207,909</u>	<u>77,637,319</u>	<u>79,992,049</u>
1,898,546	1,176,950	267,730	264,762	282,760	(100,734)
-	-	-	-	-	-
1,617,882	1,078,280	1,151,141	830,530	960,939	982,747
-	-	-	-	-	-
-	-	-	-	-	-
(889,502)	(144,302)	(393,080)	622,606	3,065,131	(920,232)
<u>2,626,926</u>	<u>2,110,928</u>	<u>1,025,791</u>	<u>1,717,898</u>	<u>4,308,830</u>	<u>(38,219)</u>
<u>93,162,860</u>	<u>85,830,192</u>	<u>77,095,967</u>	<u>78,925,807</u>	<u>81,946,149</u>	<u>79,953,830</u>
27,108,882	5,749,808	(10,641,504)	(6,743,026)	8,258,615	(8,175,909)
2,742,678	96,444	(10,043,806)	(7,044,999)	(3,150,099)	(6,552,158)
<u>\$ 29,851,560</u>	<u>\$ 5,846,252</u>	<u>\$ (20,685,310)</u>	<u>\$ (13,788,025)</u>	<u>\$ 5,108,516</u>	<u>\$ (14,728,067)</u>

**City of Pleasanton**  
**Fund Balances of Governmental Funds <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ended June 30		
	2004	2005	2006
<b>General Fund</b>			
Reserved	\$ 392,835	\$ 612,602	\$ 605,264
Unreserved	18,562,212	22,010,563	23,915,653
<b>Total General Fund</b>	<u>18,955,047</u>	<u>22,623,165</u>	<u>24,520,917</u>
<b>All Other Governmental Funds</b>			
Reserved	\$ 1,928,604	\$ 421,035	\$ 411,095
Unreserved, reported in:			
Special Revenue Funds	20,702,621	22,675,830	21,886,907
Capital Projects Funds	53,976,167	57,038,753	62,842,692
<b>Total All Other Governments Funds</b>	<u>\$ 76,607,392</u>	<u>\$ 80,135,618</u>	<u>\$ 85,140,694</u>

	Fiscal Year Ending June 30		
	2011	2012	2013
<b>General Fund</b>			
Nonspendable	\$ 168,033	\$ 218,658	\$ 264,456
Restricted	-	-	-
Committed <sup>(2)</sup>	19,953,285	20,029,711	9,229,188
Assigned <sup>(2)</sup>	2,000,000	2,000,000	-
Unassigned	3,207,664	3,083,456	3,425,359
<b>Total General Fund</b>	<u>\$ 25,328,982</u>	<u>\$ 25,331,825</u>	<u>\$ 12,919,003</u>
<b>All Other Governmental Funds</b>			
Nonspendable	\$ -	\$ -	\$ -
Restricted	53,388,353	53,945,028	54,730,098
Committed	-	-	-
Assigned	22,584,906	22,174,209	20,544,393
Unassigned	-	-	-
<b>Total All Other Governments Funds</b>	<u>\$ 75,973,259</u>	<u>\$ 76,119,237</u>	<u>\$ 75,274,491</u>

Notes:

(1) Per GASB 54, Fund Balance designations changed for reporting purposes effective June 30, 2011.

(2) The reduction in the General Fund of committed and assigned fund balance from 2012 to 2013 reflects the use of the committed Temporary Recession Reserve (\$11.7 million) and the assigned Golf Course Debt Service Reserve (\$2.0 million) to pay off the City's 2003 Certificates of Participation

**Fiscal Year Ending 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><u>26,074,730</u></u>	<u><u>25,450,446</u></u>	<u><u>25,450,736</u></u>	<u><u>25,282,385</u></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><u>\$ 86,102,430</u></u>	<u><u>\$ 95,293,378</u></u>	<u><u>\$ 81,124,167</u></u>	<u><u>\$ 76,401,671</u></u>

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

	Fiscal Year Ending June 30			
	2004	2005	2006	2007
<b>Revenues:</b>				
Taxes	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234	\$ 75,235,506
Special Assessments	187,775	195,654	215,035	190,362
Licenses	12,050	12,906	11,709	11,259
Permits	2,401,186	2,275,465	2,031,209	1,950,100
Fines and Forfeitures	689,309	630,864	575,524	526,208
Use of Money & Property	1,665,186	3,519,701	2,766,468	5,926,569
Intergovernmental	7,834,260	5,096,526	6,171,443	5,933,046
Franchises	1,403,790	1,465,139	1,578,689	1,727,617
Charges for Services <sup>(1)</sup>	11,603,324	12,423,506	13,747,992	13,268,001
Development Fees	3,815,313	5,304,045	3,685,255	3,824,811
Plan Check fees	1,126,924	924,146	1,119,904	924,558
Reimbursements	1,729,241	1,520,518	1,786,422	2,147,204
Contributions and Donations	6,023,264	4,091,889	3,417,226	748,144
Other Revenues	7,841,159	3,622,421	3,520,069	3,313,780
Recreation Charges	2,999,640	3,068,010	3,318,406	3,659,920
	<u>107,883,681</u>	<u>108,144,201</u>	<u>113,170,585</u>	<u>119,387,085</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	9,176,425	9,333,247	10,279,430	11,362,742
Public Safety <sup>(1)</sup>	35,673,629	39,983,855	43,826,861	47,626,223
Community Development <sup>(2)</sup>	5,484,984	3,611,279	7,560,598	5,250,750
Operations Services <sup>(2)</sup>	13,937,835	14,463,138	15,413,787	15,780,590
Community Activities	15,464,202	14,819,659	16,209,390	17,850,952
Capital Outlay	24,640,700	15,386,422	8,486,034	16,521,137
<b>Debt Service:</b>				
Principal <sup>(3)</sup>	1,325,000	755,000	1,330,000	1,345,000
Interest & Fiscal Charges <sup>(3)</sup>	1,395,072	1,524,714	1,239,890	1,204,063
Total Expenditures	<u>107,097,847</u>	<u>99,877,314</u>	<u>104,345,990</u>	<u>116,941,457</u>
Excess/(Deficiency of Revenues Over/(Under) Expenditures	<u>785,834</u>	<u>8,266,887</u>	<u>8,824,595</u>	<u>2,445,628</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	-	-	-	-
Proceeds from Issuance of Debt	-	-	1,520,000	-
Proceeds from Sale of Bonds	-	4,040,000	-	-
Payment to Escrow Agents	-	(4,755,000)	-	-
Capital Lease	-	-	-	-
Transfers In <sup>(4)</sup>	11,659,951	16,600,296	8,426,644	17,317,214
Transfers Out <sup>(4)</sup>	(11,208,079)	(16,955,839)	(11,868,411)	(16,429,835)
Total Other Financing Sources (Uses)	<u>451,872</u>	<u>(1,070,543)</u>	<u>(1,921,767)</u>	<u>887,379</u>
Net Change in Fund Balances	1,237,706	7,196,344	6,902,828	3,333,007
<b>Fund Balances:</b>				
Beginning of Year	94,324,733	95,562,439	102,758,783	109,661,611
Prior Period Adjustment	-	-	-	(817,458)
End of Year	<u>\$ 95,562,439</u>	<u>\$ 102,758,783</u>	<u>\$ 109,661,611</u>	<u>\$ 112,177,160</u>
<b>Debt Service as a Percentage of Noncapital Expenditure</b>	3.41%	2.77%	2.68%	2.54%

**Notes:**

(1) The reduction in charges for services revenue and public safety expenditures from 2012 to 2013 primarily reflects the reclassification of the City of Livermore's share of LFPD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds.

(2) In 2009, Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operations Services.

(3) The increase in debt service expenditures reflects the redemption of the City's outstanding 2003 Certificates of Participation and payment of accrued interest (approximately \$20.7 million principal and \$191,000 interest).

(4) The increase in transfers in reflects transfers from the General Fund (\$13.2 million, also included in transfers out), the Golf Fund (\$1.2 million), and the Retiree Medical Fund (\$6.5 million) to the 2003 Certificates of Participation Debt Service Fund totaling approximately \$20.9 million.



Fiscal Year Ending June 30						
2008	2009	2010	2011	2012	2013	
\$ 76,668,560	\$ 74,321,964	\$ 71,408,195	\$ 73,637,299	\$ 74,342,216	\$ 75,998,183	
196,784	194,311	203,798	202,642	198,710	210,276	
11,591	11,536	11,424	10,978	11,180	10,548	
1,701,275	974,211	852,900	1,453,709	1,775,254	1,963,950	
557,615	471,606	453,118	554,089	514,613	606,483	
6,306,432	3,840,218	1,211,827	1,201,627	1,169,435	966,403	
5,916,548	5,585,376	5,382,179	7,204,939	5,398,749	7,470,232	
1,783,405	1,829,153	1,955,493	2,001,935	2,012,970	2,114,955	
14,320,932	14,409,775	14,741,021	14,382,797	14,624,998	955,963	
6,403,102	4,747,036	1,646,586	3,104,570	3,822,464	3,117,578	
995,038	483,500	428,476	918,878	1,616,141	1,200,174	
2,043,745	2,142,775	2,368,673	1,387,642	1,525,030	2,422,053	
6,027,436	1,145,881	1,659,234	461,576	1,726,507	414,842	
3,836,587	3,707,092	3,053,264	3,061,797	3,326,512	3,139,666	
3,731,918	3,708,827	3,210,480	3,295,411	3,504,924	3,457,871	
<u>130,500,968</u>	<u>117,573,261</u>	<u>108,586,668</u>	<u>112,879,889</u>	<u>115,569,703</u>	<u>104,049,177</u>	
12,405,156	12,127,645	11,896,618	11,172,110	11,671,393	11,942,389	
50,030,665	50,354,468	51,761,407	50,091,867	52,128,400	39,771,835	
5,841,161	12,453,559	11,490,516	11,991,350	12,658,878	12,760,139	
15,791,053	8,006,599	8,130,826	14,377,543	14,109,244	14,617,656	
18,580,800	17,621,844	16,885,312	10,644,722	10,551,455	10,976,770	
18,073,711	30,476,317	12,720,830	9,199,072	10,123,534	10,294,297	
1,385,000	1,425,000	1,825,000	1,860,000	1,852,741	22,132,902	
1,167,388	1,129,603	1,091,998	1,053,120	1,009,993	1,173,287	
<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>	<u>123,669,275</u>	
<u>7,226,034</u>	<u>(16,021,774)</u>	<u>(7,215,839)</u>	<u>2,490,105</u>	<u>1,464,065</u>	<u>(19,620,098)</u>	
-	-	-	-	-	-	
227,487	20,000	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	102,372	-	
11,085,480	11,193,907	6,702,172	5,610,956	12,787,282	25,318,583	
<u>(9,972,337)</u>	<u>(9,361,054)</u>	<u>(4,377,180)</u>	<u>(8,482,876)</u>	<u>(14,204,898)</u>	<u>(18,956,053)</u>	
<u>1,340,630</u>	<u>1,852,853</u>	<u>2,324,992</u>	<u>(2,871,920)</u>	<u>(1,315,244)</u>	<u>6,362,530</u>	
8,566,664	(14,168,921)	(4,890,847)	(381,815)	148,821	(13,257,568)	
112,177,160	120,743,824	106,574,903	101,684,056	101,302,241	101,451,062	
-	-	-	-	-	-	
<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>	<u>\$ 88,193,494</u>	
2.43%	2.48%	2.83%	2.88%	2.75%	20.56%	

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## **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**

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

<b>Fiscal Year Ended June 30</b>	<b>Net Secured</b>	<b>Public Utilities</b>	<b>Net Unsecured</b>	<b>Net Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2004	\$ 11,789,099,384	\$ 2,135,286	\$ 680,766,777	\$ 12,472,001,447	0.2971%
2005	12,594,592,116	2,297,346	611,932,067	13,208,821,529	0.2971%
2006	13,618,889,401	2,242,475	575,007,837	14,196,139,713	0.2971%
2007	14,878,786,916	2,146,073	575,007,837	15,455,940,826	0.2971%
2008	15,884,626,870	1,520,242	634,144,021	16,520,291,133	0.2971%
2009	16,703,488,099	1,520,242	667,916,119	17,372,924,460	0.2971%
2010	16,608,342,939	1,520,242	678,842,286	17,288,705,467	0.2971%
2011	16,330,693,261	1,583,493	639,791,920	16,972,068,674	0.2971%
2012	16,118,033,742	1,583,493	624,006,570	16,743,623,805	0.2971%
2013	16,310,521,666	1,583,493	610,478,023	16,922,583,182	0.2971%

Source: Alameda County Office of the Auditor-Controller

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

	Fiscal Year Ending June 30			
	2004	2005	2006	2007
County Wide Levy	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971
Pleasanton Unified School District	0.0726	0.0935	0.0854	0.0721
Community College District	0.0000	0.0186	0.0158	0.0159
Flood Zone 7	0.0145	0.0114	0.0130	0.0151
Bay Area Rapid Transit District	0.0000	0.0000	0.0048	0.0050
East Bay Regional Park District	0.0057	0.0057	0.0057	0.0085
<b>Total</b>	<b>1.0928</b>	<b>1.1292</b>	<b>1.1247</b>	<b>1.1166</b>

Note: Rates are percentage of total assessed value

Source: Alameda County Office of the Auditor-Controller

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>0.7029</b>	<b>0.7029</b>	<b>0.7029</b>	<b>0.7029</b>	<b>0.7029</b>	<b>0.7029</b>
<b>0.2971</b>	<b>0.2971</b>	<b>0.2971</b>	<b>0.2971</b>	<b>0.2971</b>	<b>0.2971</b>
<b>0.0756</b>	<b>0.0777</b>	<b>0.0809</b>	<b>0.0891</b>	<b>0.0908</b>	<b>0.0963</b>
<b>0.0164</b>	<b>0.0183</b>	<b>0.0195</b>	<b>0.0211</b>	<b>0.0214</b>	<b>0.0219</b>
<b>0.0150</b>	<b>0.0169</b>	<b>0.0203</b>	<b>0.0250</b>	<b>0.0307</b>	<b>0.0228</b>
<b>0.0076</b>	<b>0.0090</b>	<b>0.0057</b>	<b>0.0031</b>	<b>0.0041</b>	<b>0.0043</b>
<b>0.0080</b>	<b>0.0100</b>	<b>0.0108</b>	<b>0.0084</b>	<b>0.0071</b>	<b>0.0051</b>
<b>1.1226</b>	<b>1.1319</b>	<b>1.1372</b>	<b>1.1467</b>	<b>1.1541</b>	<b>1.1504</b>

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

2013			2003		
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	\$ 246,104,924	1.50%	Peoplesoft Properties Inc.	\$ 242,582,604	2.08%
Stoneridge Properties	236,951,995	1.44%	WB Bernal LLC	185,331,348	1.59%
Pleasant Property LLC	214,666,953	1.31%	Stoneridge Properties	196,269,810	1.68%
6200 Stoneridge Mall Road Investors	188,309,598	1.15%	National Office Partners LP	145,291,962	1.24%
Applera Corporation	153,137,016	0.93%	Larr Realty Corporation	127,770,236	1.09%
Safeway, Inc	138,988,630	0.85%	Safeway Inc.	110,716,202	0.95%
Oracle America Inc/Peoplesoft	123,443,765	0.75%	Clorox Services Company	99,676,404	0.85%
Stoneridge Residential LLC	122,680,777	0.75%	Cisco Systems Inc.	95,116,590	0.81%
Tishman Speyer Archstone Smith	120,342,856	0.73%	Security Capital Pacific Trust	85,073,003	0.73%
Boehringer Mannheim Corporation	112,425,996	0.68%	Excel Realty Trust Inc.	76,011,555	0.65%
	<u>\$ 1,657,052,510</u>	<u>10.09%</u>		<u>\$ 1,363,839,714</u>	<u>11.67%</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	
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
2013	53,198,430	51,821,281	97.41%	1,265,459

**Notes:**

(1) 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.

(2) Alameda County does not provide delinquent tax collection data by levy year or distinguish between delinquent taxes and penalties and interest, so the amounts shown in the delinquent tax collections column include the delinquency collections for all prior years, including penalties and interest, that were remitted to the City in each fiscal year.

Source: Alameda County Office of the Auditor-Controller

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## **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, 2013**

**Legal Debt Margin - Last Ten Fiscal Years**

**Pledged-Revenue Coverage for the Sewer Fund - Last Ten Fiscal Years**

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Notes, Capital Lease &amp; Mortgage Payable</b>	<b>Total Governmental Activities</b>
<b>2004</b>	\$ -	\$ 33,360,000	\$ -	\$ 33,360,000
<b>2005</b>	-	31,890,000	75,000	31,965,000
<b>2006</b>	-	30,560,000	1,595,000	32,155,000
<b>2007</b>	-	29,215,000	1,595,000	30,810,000
<b>2008</b>	-	27,830,000	1,822,487	29,652,487
<b>2009</b>	-	26,405,000	5,242,487	31,647,487
<b>2010</b>	-	25,110,000	4,712,487	29,822,487
<b>2011</b>	-	23,780,000	2,682,487	26,462,487
<b>2012</b>	-	22,405,000	2,307,117	24,712,117
<b>2013</b>	-	750,000	1,819,314	2,569,314

<b>Business-Type Activities</b>						
<b>Sewer Revenue Bonds</b>	<b>Water Revenue Bonds</b>	<b>Notes Payable</b>	<b>Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Debt Per Capita</b>
\$ 3,609,968	\$ 4,368,019	\$ 438,318	\$ -	\$ 41,776,305	1.4%	\$ 626.03
3,660,000	3,595,000	401,173	697,844	40,319,017	1.3%	602.77
3,120,000	2,945,000	361,499	567,545	39,149,044	1.2%	582.45
2,575,000	2,300,000	319,204	448,682	36,452,886	1.0%	535.98
2,010,000	1,645,000	274,117	296,531	33,878,135	0.8%	492.44
1,415,000	975,000	226,105	149,158	34,412,750	0.8%	494.59
840,000	825,000	174,875	-	31,662,362	0.8%	450.49
685,000	-	120,263	316,939	27,584,689	0.8%	391.07
520,000	-	-	502,508	25,734,625	0.8%	361.56
355,000	-	-	375,864	3,300,178	0.1%	45.92

**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		
2004	\$ -	\$ -	\$ -	0.000%	\$ -
2005	-	-	-	0.000%	-
2006	-	-	-	0.000%	-
2007	-	-	-	0.000%	-
2008	-	-	-	0.000%	-
2009	-	-	-	0.000%	-
2010	-	-	-	0.000%	-
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-

**City of Pleasanton**  
**Direct and Overlapping Debt**  
For the year ended June 30, 2013

2012/13 Net Assessed Valuation \$16,922,583,182

	Percentage Applicable <sup>(1)</sup>	Outstanding Debt 06/30/13	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
Bay Area Rapid Transit District	3.388%	\$410,690,000	\$ 13,914,177
Chabot-Las Positas Community College District	19.791%	438,355,959	86,755,028
Dublin Joint Unified School District	0.008%	219,818,392	17,585
Livermore Valley Joint Unified School District	1.968%	93,010,000	1,830,437
Pleasanton Unified School District	97.211%	64,674,429	62,870,659
Sunol Glen Unified School District	0.001%	874,789	9
East Bay Regional Park District	5.236%	135,565,000	7,098,183
<b>Total Overlapping Tax and Assessment Debt:</b>			<b>\$ 172,486,078</b>

**Ratios to Assessed Valuation:**

Total Overlapping Tax and Assessment Debt 1.02%

**Direct and Overlapping General Fund Debt:**

Alameda County General Fund Obligations	8.615%	\$638,960,000	\$ 55,046,404
Alameda County Pension Obligations	8.615%	109,277,602	9,414,265
Pleasanton Unified School District Certificates of Participation	97.211%	17,510,000	17,021,646
City of Pleasanton General Fund Obligations	100.000%	750,000	750,000
<b>Total Direct and Overlapping General Fund Debt:</b>			<b>82,232,315</b>
<b>Combined Total Debt</b>			<b>\$ 254,718,393</b> <sup>(2)</sup>
<b>Total Direct Debt</b>			<b>\$ 750,000</b>
<b>Total Overlapping Debt</b>			<b>253,968,393</b>
<b>Combined Total Debt</b>			<b>\$ 254,718,393</b> <sup>(2)</sup>

**Notes:**

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping districts assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

**Ratios to Assessed Valuation:**

Combined Direct Debt (\$75,000) 0.0004%  
Total Overlapping Tax and Assessment Debt 1.51%

State School Building Aid Repayable as of 06/30/13: \$ 0

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**

	<b>Fiscal Year Ending June 30</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Net Assessed Valuation</b>	<b>\$ 12,472,001,447</b>	<b>\$ 13,208,821,529</b>	<b>\$ 14,196,139,713</b>	<b>\$ 15,455,940,826</b>
<b>Conversion Percentage for Calculation of Debt Limit</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>Adjusted Assessed Valuation</b>	<b>3,118,000,362</b>	<b>3,302,205,382</b>	<b>3,549,034,928</b>	<b>3,863,985,207</b>
<b>Debt Limit Percentage</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Legal Debt Limit</b>	<b><u>467,700,054</u></b>	<b><u>495,330,807</u></b>	<b><u>532,355,239</u></b>	<b><u>579,597,781</u></b>
<b>Amount of Debt Subject to Limit</b>	<b>505,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Legal Debt Margin</b>	<b><u>\$ 467,195,054</u></b>	<b><u>\$ 495,330,807</u></b>	<b><u>\$ 532,355,239</u></b>	<b><u>\$ 579,597,781</u></b>
<b>Total Debt Applicable to Limit as a Percentage of Debt Limit</b>	<b>0.11%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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



**Fiscal Year Ending June 30**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>\$ 16,520,291,133</b>	<b>\$ 17,372,924,460</b>	<b>\$ 17,288,705,467</b>	<b>\$ 16,972,068,674</b>	<b>\$ 16,743,623,805</b>	<b>\$16,922,583,182</b>
<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>4,130,072,783</b>	<b>4,343,231,115</b>	<b>4,322,176,367</b>	<b>4,243,017,169</b>	<b>4,185,905,951</b>	<b>4,230,645,796</b>
<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>619,510,917</b>	<b>651,484,667</b>	<b>648,326,455</b>	<b>636,452,575</b>	<b>627,885,893</b>	<b>634,596,869</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>\$ 619,510,917</b>	<b>\$ 651,484,667</b>	<b>\$ 648,326,455</b>	<b>\$ 636,452,575</b>	<b>\$ 627,885,893</b>	<b>\$ 634,596,869</b>
<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**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	
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
2013	13,027,481	11,609,263	1,418,218	165,000	14,784	179,784	7.89

**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 Calendar Years**

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

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

**City of Pleasanton**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population As of 1/1 <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
<b>03/04</b>	<b>66,732</b>	<b>\$ 2,938,389,000</b>	<b>\$ 44,033</b>	<b>3.4%</b>
<b>04/05</b>	<b>66,890</b>	<b>3,174,419,000</b>	<b>47,457</b>	<b>2.9%</b>
<b>05/06</b>	<b>67,215</b>	<b>3,403,264,000</b>	<b>50,633</b>	<b>2.5%</b>
<b>06/07</b>	<b>68,012</b>	<b>3,747,727,000</b>	<b>55,104</b>	<b>2.2%</b>
<b>07/08</b>	<b>68,796</b>	<b>4,007,301,000</b>	<b>58,249</b>	<b>2.3%</b>
<b>08/09</b>	<b>69,579</b>	<b>4,103,578,000</b>	<b>58,977</b>	<b>3.1%</b>
<b>09/10</b>	<b>70,285</b>	<b>3,990,557,000</b>	<b>56,777</b>	<b>5.3%</b>
<b>10/11</b>	<b>70,537</b>	<b>3,297,749,000</b>	<b>46,752</b>	<b>5.8%</b>
<b>11/12</b>	<b>71,176</b>	<b>3,338,739,000</b>	<b>46,908</b>	<b>5.3%</b>
<b>12/13</b>	<b>71,871</b>	<b>3,512,480,000</b>	<b>48,872</b>	<b>4.5%</b>

**Source: HDL Companies**

(1) California State 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**

<b>Employer</b>	<b>2013</b>		<b>Employer</b>	<b>2003</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>		<b>Number of Employees</b>	<b>Percent of Total Employment</b>
Kaiser Permanente	3,974	7.43%	PeopleSoft*	3,065	5.38%
Safeway Inc.*	3,225	6.03%	Safeway Inc.*	1,689	2.97%
Workday Inc.*	1,699	3.18%	Pleasanton Unified School District	1,350	2.37%
Oracle	1,479	2.77%	Provident Financial	1,306	2.29%
Pleasanton Unified School District	1,272	2.38%	Valley Care Medical Center	1,200	2.11%
Valley Care Medical Center	1,075	2.01%	A T & T	949	1.67%
Clorox Service Company	900	1.68%	Pro Business	820	1.44%
Macy's	832	1.56%	Robert Half International	790	1.39%
State Fund Compensation Ins.	650	1.22%	E-Loan	750	1.32%
EMC Corporation	507	0.95%	Fireside Thrift*	700	1.23%
Hendrick Automotive (Auto Mall)	478	0.89%	Macy's	700	1.23%
Roche Molecular Systems Inc.	452	0.85%	Documentum, Inc.*	506	0.89%
Thoratec Corporation*	421	0.79%	Clorox Service Company	469	0.82%
Blackhawk Network	414	0.77%	Kaiser Permanente	450	0.79%
City of Pleasanton* <sup>(1)</sup>	400	0.75%	City of Pleasanton* <sup>(1)</sup>	440	0.77%

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

Sources: City of Pleasanton Economic Development Department

<sup>(1)</sup> Does not include 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	Full-Time, Part-Time and Limited Term Employees as of June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government (1)	44	44	44	45	45	46	45	41	38	37
Public Safety (2)	182	182	185	187	186	186	184	181	178	175
Community Development (3)	18	18	20	20	22	59	51	50	51	48
Public Works - Admin, Engr, Bldg (3)	38	38	38	38	40	-	-	-	-	-
Public Works - Field, Streets, Support (4)	38	38	38	37	36	-	-	-	-	-
Operations Services (4) (5)	-	-	-	-	-	35	36	63	61	58
Community Activities (5)	85	85	85	85	85	83	79	44	46	47
Utilities	35	35	35	35	35	40	39	36	36	35
<b>Total</b>	<b>440</b>	<b>440</b>	<b>445</b>	<b>447</b>	<b>449</b>	<b>449</b>	<b>434</b>	<b>415</b>	<b>410</b>	<b>400</b>

- (1) In 2011 Business License was transferred from Finance (General Government) to Economic Development (Community Development).
- (2) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department (LFPD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LFPD.
- (3) In 2009 Public Works Administration, Engineering & Inspection and Building & Safety transferred to Community Development.
- (4) In 2009 Public Works Field Services, Streets and Support Services transferred to Operations Services.
- (5) 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 Ending June 30			
	2004	2005	2006	2007
<b>Police:</b>				
Arrests	2,450	2,401	2,281	2,414
Parking Citations Issued	1,866	1,398	1,285	1,175
Administrative Citations Issue	210	99	181	129
<b>Fire:</b>				
Number of Responses (Pleasanton only)	4,055	4,256	4,547	4,886
Number of Inspections (Pleasanton only)	923	1,181	1,465	1,701
<b>Library:</b>				
Annual Circulation	969,483	1,047,607	1,109,541	1,237,543
Gate Count (# of people thru the doors)	467,696	465,978	459,138	472,633
<b>Economic Development:</b>				
Business Licenses Issued	9,362	10,529	10,933	9,206
<b>Parks &amp; Community Services:</b>				
Paratransit Trips (1)	24,867	22,898	20,974	19,122
Golf Rounds Played	-	-	45,229	73,365
Aquatics Youth Programs (No. of Participants) <sup>(2)</sup>	16,523	17,364	16,002	16,838
Sports, Camps, Classes and Leagues (No. of Participants) <sup>(2)</sup>	5,639	7,039	9,299	11,755
Amador Theater & Firehouse Arts Center (No. of Patrons)	70,400	70,195	66,354	70,900
<b>Operations Services:</b>				
Streets Resurfacing (miles)	13.0	11.0	10.0	10.0
Utility Bills Generated	128,172	128,256	128,838	131,027
New Water Connections	283	279	180	113
Gallons Delivered (in million gallons/day)	17.4 mgd	15.1 mgd	16.4 mgd	16.2 mgd
New Sewer Connections	325	258	201	185

**Notes:**

- (1) In FY2013, Downtown Route Service was reduced from 5 days a week to 3 days a week to meet the service demands.
- (2) In FY2013, the category was widened from youth to all participants.



**Fiscal Year Ending June 30**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
2,563	2,772	2,970	3,283	2,675	2,387
1,019	911	1,133	1,634	1,263	909
150	92	108	144	105	62
5,129	5,007	4,952	4,146	4,342	4,548
1,604	1,269	861	988	1,194	1,032
1,303,995	1,433,876	1,475,666	1,465,716	1,438,609	1,428,665
498,614	530,738	552,779	562,757	561,351	551,297
9,368	8,783	9,067	8,534	9,147	9,275
18,656	22,122	20,393	17,506	15,499	13,486
72,092	68,294	63,591	58,559	58,272	56,104
17,756	21,185	21,982	23,907	25,494	34,334
12,782	12,683	13,400	13,580	22,480	54,579
42,500	50,100	28,380	43,048	51,096	45,291
9.0	9.0	6.0	11.5	12.0	11.8
131,290	131,500	134,651	132,141	126,104	127,955
52	21	26	44	51	88
16.0 mgd	15.0 mgd	14.1 mgd	11.4 mgd	13.4 mgd	14.8 mgd
65	24	26	82	49	136

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

	Fiscal Year Ending June 30			
	2004	2005	2006	2007
<b>Police:</b>				
Stations	1	1	1	1
<b>Fire:</b>				
Stations (Pleasanton only)	5	5	5	5
<b>Library:</b>				
Branches	1	1	1	1
<b>Parks &amp; Community Services:</b>				
Acres of Parks Maintained	351	378	378	378
Municipal Golf Courses	0	0	1	1
Aquatic Centers	1	1	1	1
Senior Centers	1	1	1	1
<b>Operations Services:</b>				
Streets ( miles)	194	194	198	206
Streetlights	5,208	5,209	5,311	5,320
Traffic Signals	80	86	87	92
<b>Water:</b>				
Water mains (miles)	310	313	314	318
Pumping Capacity (gallons/day)	35.9M	37.0 M	37.0M	37.0M
<b>Wastewater:</b>				
Sanitary Sewers (miles)	245	248	249	253
Storm Sewers (miles)	179	182	183	188

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

**Fiscal Year Ending June 30**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
385	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	212
5,379	5,992	6,007	6,007	6,007	6,025
93	93	93	93	95	96
318	320	320	321	324	324
37.0M	37.0M	32.0M	30.0M	31.0M	31.0M
253	255	255	255	257	257
188	191	192	192	194	194

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