



Comprehensive Annual Financial Report

For the year ended June 30, 2014

CITY OF PLEASANTON, CALIFORNIA

City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2014

Prepared by the Finance Department

City of Pleasanton

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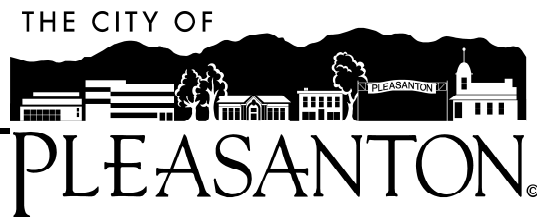
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To the Honorable Mayor, Members of the City Council
and Citizens of the City of Pleasanton:

December 19, 2014

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2014. 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, 2014.

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, 2014, 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 unmodified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2014, 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 72,230. 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 each even numbered year). Any changes as a result of these reviews 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 more than 53,000 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 2014, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at \$123,509.

Commercial Office Activity

Continuing the post-recession economic recovery, late 2013 through most of 2014 was positive for the Pleasanton commercial office market. As of the end of the third quarter 2014, the office vacancy rate was 12.8% as compared to the 15.4% vacancy rate of two years prior. Important investment sales of commercial real estate highlighted this past year. Swift Real Estate Partners acquired the 1,011,973 square foot California Center campus – now being upgraded and repositioned as Rosewood Commons – for approximately \$160 million. A partnership between San Ramon Regional Medical Center and John Muir Health acquired 5860 Owens Drive, a four story, 92,738 square foot office building from California State Compensation Fund for \$19 million. Plans for the conversion to an outpatient medical facility likely include construction of a parking structure to deliver the parking needed for the anticipated number of users.

The Tri-Valley region's \$2.52 per square foot (fourth quarter 2014) overall weighted average asking rent rate represents a new ten plus year high. This now exceeds the highest level of rent rates - \$2.36 per square foot – experienced prior to the recession (fourth quarter 2007). Net absorption of vacant space in the Pleasanton market remains strong with approximately 386,000 square feet (both Class A and Class B office space) being absorbed year-to-date. Two large lease transactions at Rosewood Commons drove this: Ellie Mae leased 105,452 square feet and Astex Pharmaceuticals leased 37,167 square feet. Adding to this was Morgan Stanley's relocation from Stoneridge Corporate Plaza to a new 20,655 square foot lease at Hacienda Terrace (4309 Hacienda Drive); BlackBerry's entry as a new tenant to the market, taking 20,330 square feet in Bernal Corporate Park; Specialty's Café's relocation of its corporate headquarters from San Francisco into 14,607 square feet in the Patelco Corporate Center at 5050 Hopyard Road and Rimini Street's lease renewal of 51,343 square feet in Bernal Corporate Park.

In addition to current activity, there are noteworthy near-term projects that will augment Pleasanton's strength as a regional business center. In 2013, NPC Holdings, LLC (a wholly owned affiliate of David Duffield) acquired the five-building, 559,820 square foot, office complex Stoneridge Corporate Plaza from Metropolitan Life Insurance Company, to be the permanent home of Duffield's growing Workday Inc. Since the purchase, the City entitled a new 430,000 square foot six story building and two parking garages on 6.9 acres between Stoneridge Corporate Plaza and the adjacent Bay Area Rapid Transit (BART) station, for Workday to develop a state-of-the-art headquarters campus. Several notable amenities accompany this project including a shared Pleasanton/BART police substation (in the BART parking garage), traffic circulation improvements within the commercial area and the addition of gateway features for the BART station. By the end of 2013, Workday employment growth expanded to more than 2,300 worldwide; with approximately 800 of those workers joining the company in 2013. Workday anticipates its Pleasanton campus will house several thousand workers within the next five years.

In 2013, Nearon Enterprises acquired the former 14-acre Clorox Tech Center at 7200 Johnson Drive along with several smaller parcels in the immediate area which were vacated when Clorox developed its new Pleasanton campus on Clorox Way. The City recognized this change in ownership as an opportunity to reposition the property and in April 2014 the City granted approval for a pilot Johnson Drive Economic Development Zone potentially generating a higher return to the property owners, the City and the community, through tools such as rezoning, creating site development standards and design guidelines, and specifying fees, credits and off-site improvements for prospective office, retail and industrial uses. Implementation of the economic development zone program is underway and final elements will be considered by the Council in mid-2015, which will provide more zoning flexibility and certainty for companies and developers when considering projects within the pilot zone area.

Retail Activity

As in 2013, Pleasanton has continued to see strong demand in its retail marketplace throughout 2014. With an inventory of more than 2 million square feet of retail space, vacancy is extremely low at approximately 8% and lease rates have jumped by more than 20%. Shopping centers across the City are benefitting from investment by property owners and tenants. Examples include the complete remodel of two vacant restaurant spaces at Hopyard Road and Interstate 580 into a flagship Specialty's Café and a Black Bear Diner. Stoneridge Shopping Center opened several new stores, including national retailers Uniqlo, Lego, Lululemon Athletica, Lush, The Art of Shaving, Francesca's and Things Remembered.

There's also significant activity among Pleasanton's auto dealerships, both new construction and investment in existing sites. Mercedes replaced its older showroom building along Interstate 580 with a 72,000 square foot showroom and service facility. At the Pleasanton Auto Mall, the individual dealers have been approved or have submitted for renovation of their buildings including upgrades to the Mini and BMW facilities, and the replacement of the Lexus building with a new 83,000 square foot showroom and service facility. Also in 2014, the City Council approved a new Chrysler Jeep Dodge dealership and a new CarMax dealership on 25 acres of the Staples Ranch site, and the City is continuing efforts to attract additional auto dealerships to the remaining auto mall-zoned portion of Staples Ranch (approximately 15 acres).

The current retail vacancy rate in downtown Pleasanton is around 5% with only a few Main Street locations available as the downtown continues to attract retail, restaurant and entertainment uses following the City's adoption of Downtown Hospitality Guidelines. After much groundwork during 2013, the 2,400 square foot Pastime Pool building was demolished to be replaced with a 8,659 square foot, two story building and public plaza. Indicating the strength of the downtown retail market, the project was fully leased with an independent restaurant, a new concept Starbucks Evening and a Sotheby's real estate office.

Other Business Activity

Also on the rise is Pleasanton's hotel occupancy and average daily rate, with many hotels sold out during the week as an indication that corporate business has rebounded. Reflecting this increased activity and confidence in the travel market, Pleasanton's 292-room Hilton hotel underwent a multi-million dollar renovation, was rebranded as a Doubletree hotel, and the hotel owner is exploring options for expansion.

ValleyCare Health System (ValleyCare) and Stanford University Health Care (Stanford) signed an affiliation agreement by which ValleyCare will become a subsidiary of Stanford. Providing not-for-profit health care to the Tri-Valley region since 1961, ValleyCare now operates several Pleasanton facilities including a hospital-anchored medical center and an adjacent medical plaza. This merger strategically positions ValleyCare to address the current challenges in health care, vastly improves ValleyCare's ability to care for Tri-Valley residents in the future, and will help further Stanford's three-part mission of research, teaching and clinical care which in turn, will benefit Tri-Valley residents.

The City also received several accolades in late 2014: *24/7 Wall Street* ranked Pleasanton 4th on its list of America's 50 Best Cities to Live; *Money* magazine ranked Pleasanton 31st on its 2014 Best Places to Live and 9th on its Top Earning Towns.

With such a breadth of activity across all sectors, Pleasanton continues to be well positioned to sustain and grow its economic base.

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. In 2013/14FY, several of the projects commenced pre-construction and construction of the housing units. Some of the housing units are expected to come on line for occupancy starting in early 2015/16FY. 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 September 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 2013/14FY that will impact residents positively in the years to come. Perhaps the most long awaited was the completion of 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 along Stoneridge Drive was also constructed with two tennis courts, a grass field and a walking path.

The 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 continued in 2014. 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 September 2014, the City made its last debt service payment for its outstanding bonds. Therefore, the City is now debt-free except for multifamily housing conduit bonds that are the obligation of the respective housing project that was funded with the bond proceeds. There is an outstanding loan payable to Alameda County for the remaining portion of the purchase of the Alameda County Transportation Corridor. However, the City has set aside the necessary funds to fund these loan payments.

The City continues to maintain a 10% reserve for economic uncertainties in the General Fund, currently totaling \$9.6 million at June 30, 2014. Also at June 30, 2014, the City had \$5.4 million in unassigned and nonspendable reserves for total General Fund Reserves of \$15.0 million. The City also has \$75.0 million in capital project reserves set aside for future projects, and \$23.0 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 \$27.3 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, 2013. This was the seventeenth 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 Andrea Miller, Diane Punzo and Charly Yang who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Nicholas Johnson, Juan Gomez, Melissa Winsby, Kathy Kitterman, Annette Gibson, Cheryl Caraballo, Margaret Lyons and Steven Lam.

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, 2013

Executive Director/CEO

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2014**

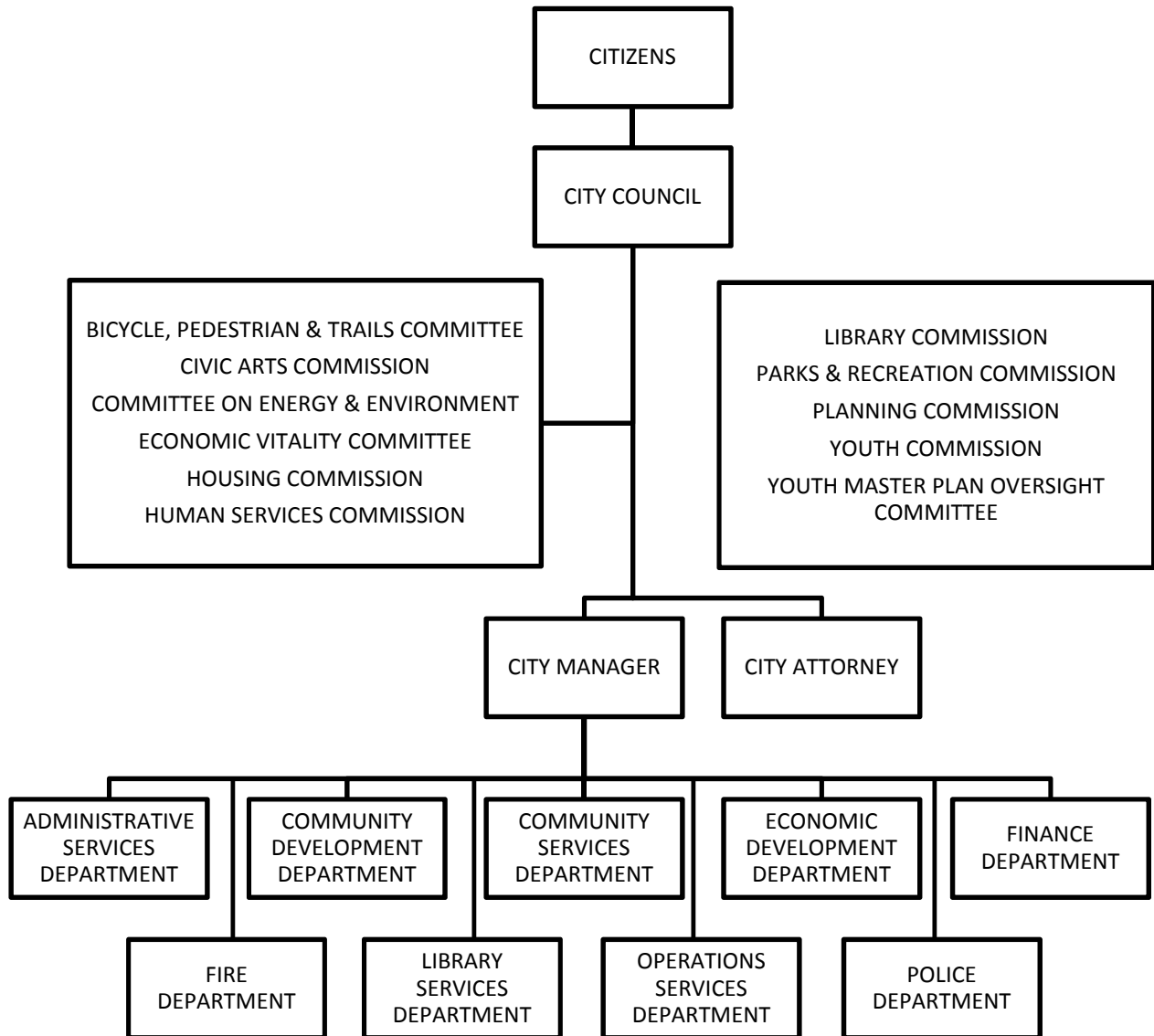
ELECTED OFFICIALS:

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

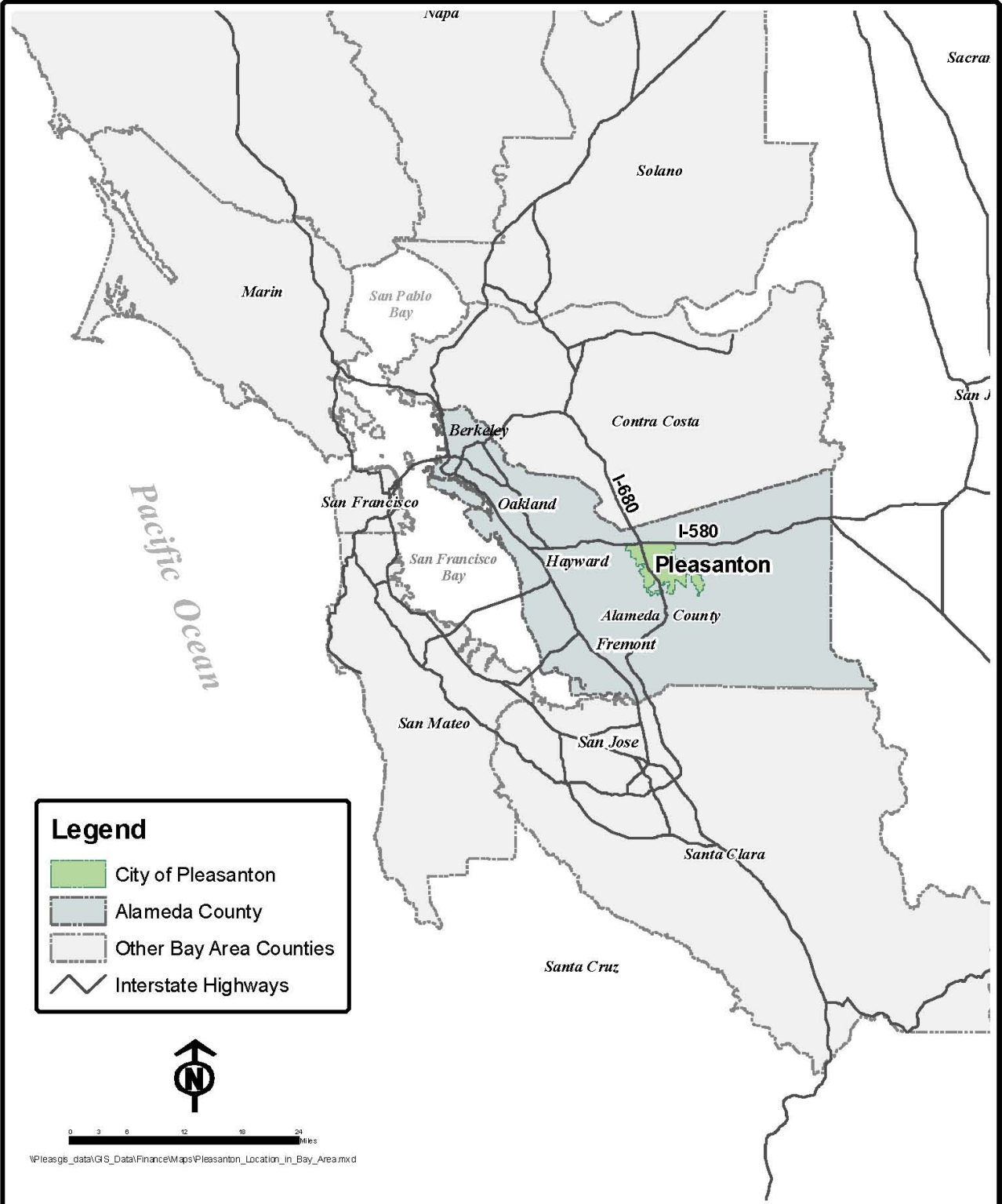
ADMINISTRATIVE PERSONNEL:

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

2014 ORGANIZATION CHART



Pleasanton, California.



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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, 2014 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 0.3 percent, (0.1) percent, and 9.6 percent, respectively, of the assets, net position, and revenues of the City's business-type activity and 2.1 percent, 0.4 percent and 99.8 percent, respectively, of the assets, net position, and revenues of the City's Golf Enterprise Fund. Those statements were audited by other auditors, whose report 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 4.4 percent, 4.5 percent, and 0.2 percent, respectively, of the assets, net position, and revenues of the City's business-type activity and 12.8 percent, 13.1 percent and 0.5 percent, respectively, of the assets, net position, and revenues of the City's Sewer Enterprise Fund. Those statements were audited by other auditors, whose report has 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, 2014, 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. 65, Items Previously Reported as Assets and Liabilities as of July 1, 2013. 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 19, 2014, 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.

Varrinek, Trine, Day & Co., LLP.

Pleasanton, California
December 19, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pleasanton's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2014 (2013/14FY). 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 2013/14FY by \$863.9 million (net position). Of this amount, \$138.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$64.8 million is restricted for specific purposes (restricted net position), and \$661.0 million is the net investment in capital assets.
- The City's total net position increased by \$6.3 million during the fiscal year, a 0.7% increase. Of this amount, an increase of \$9.2 million in net position was attributable to governmental activities, a 1.5% increase, and a decrease of \$2.9 million in net position was due to business-type activities, a 1.3% decrease.
- The City's governmental funds reported ending fund balances of \$93.7 million, an increase of \$5.5 million (6.2%) in comparison with the prior fiscal year ending June 30, 2013 (2012/13FY).
- The General Fund fund balance is \$15.0 million, of which \$9.7 million is committed for economic uncertainties, \$5.1 million is unassigned and \$.2 million is nonspendable.

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, cemetery, and electric vehicle, 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, electric vehicle, 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 in 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

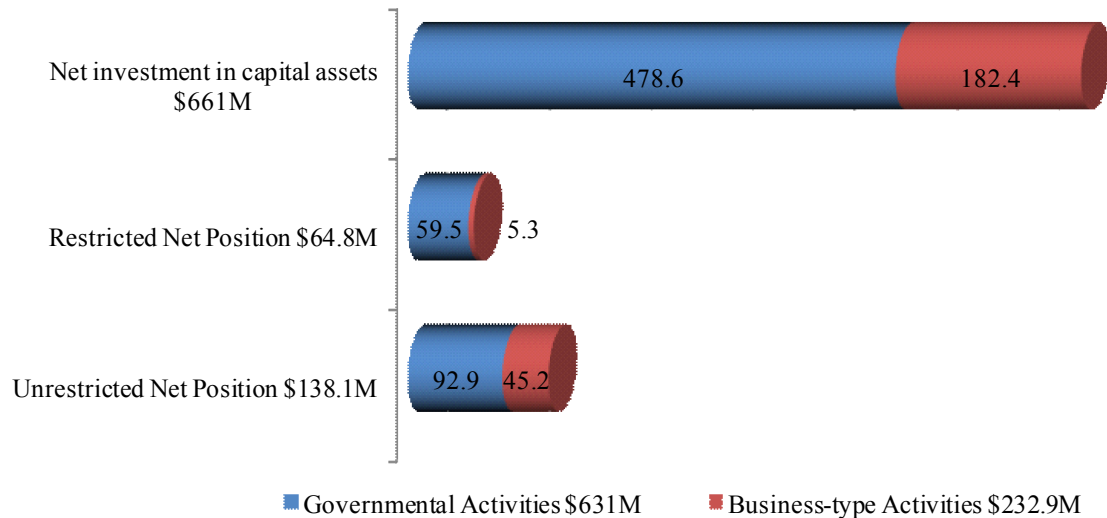
The following section provides a comparative analysis of government-wide data for the 2012/13FY and the 2013/14FY. The Statement of Net Position for the two years will be discussed first, followed by a discussion of the Changes in Net Position for the two years.

The following table is a summary of the Statement of Net Position as of June 30, 2013 (2013) and June 30, 2014 (2014):

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2013	2014	2013	2014	2013	2014	2013 to 2014
Assets:							
Current and other assets	\$164.1	\$171.7	\$51.5	\$54.2	\$215.6	\$225.9	4.8%
Capital assets	481.2	481.4	190.0	182.8	671.2	664.2	-1.0%
Total assets	645.3	653.1	241.5	237.0	886.8	890.1	0.4%
Deferred outflows of resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Liabilities:							
Other liabilities	9.8	8.5	4.9	3.7	14.7	12.2	-17.0%
Long-term liabilities	13.6	13.6	0.7	0.4	14.3	14.0	-2.1%
Total liabilities	23.4	22.1	5.6	4.1	29.0	26.2	-9.7%
Net Position:							
Net investment in capital assets	478.6	478.6	189.3	182.4	667.9	661.0	-1.0%
Restricted	54.7	59.5	4.7	5.3	59.4	64.8	9.1%
Unrestricted	88.5	92.9	41.9	45.2	130.4	138.1	5.9%
Total net position	\$621.8	\$631.0	\$235.9	\$232.9	\$857.7	\$863.9	0.7%

**Statement of Net Position as of June 30, 2014
(in millions of dollars)**



Analysis of Net Position – With the consolidation of government-wide net position into one statement and the exclusion of fiduciary funds, net position serves as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$863.9 million at the close of the 2013/14FY.

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 \$661.0 million (76.5% 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 decreased by \$6.9 million (-1.0%) in the 2013/14FY. The majority of the decrease was attributable to depreciation expense exceeding asset additions by \$7.0 million in the 2013/14FY.
- The *restricted net position* of \$64.8 million (7.5% of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$43.5 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), \$17.3 million restricted for community development (the majority of which is in the Lower Income Housing Fund for the redevelopment of Kottinger Place), and \$3.5 million in a variety of special revenue funds to support specific City programs.
- The *unrestricted net position* of \$138.1 million (16.0% 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 \$92.9 million of the unrestricted net position, which is mainly attributable to the economic uncertainty reserve in the General Fund, amounts set aside for future capital improvements 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 \$45.2 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 for the year ended June 30:

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

	Governmental Activities		Business-type Activities		Total		Total % Change
	2013	2014	2013	2014	2013	2014	
Revenues:							
Program revenues:							
Charges for Services	\$12.1	\$12.2	\$37.3	\$37.5	\$49.4	\$49.7	0.6%
Operating grants & contributions	2.3	1.4	0.2	0.1	2.5	1.5	-40.0%
Capital grants & contributions	8.3	13.3	0.1	-	8.4	13.3	58.3%
Indirect charges	0.6	0.5	-	-	0.6	0.5	-16.7%
General revenues:							
Property taxes	48.6	50.4	-	-	48.6	50.4	3.7%
Sales taxes	19.1	21.0	-	-	19.1	21.0	9.9%
All other taxes	10.0	10.7	-	-	10.0	10.7	7.0%
All other general revenues	1.3	3.2	0.9	1.0	2.2	4.2	90.9%
Total revenues	<u>102.3</u>	<u>112.7</u>	<u>38.5</u>	<u>38.6</u>	<u>140.8</u>	<u>151.3</u>	7.5%
Expenses:							
General government	12.2	11.5	-	-	12.2	11.5	-5.7%
Public safety	47.5	42.2	-	-	47.5	42.2	-11.2%
Community development	12.2	16.0	-	-	12.2	16.0	31.1%
Operations services	26.3	22.2	-	-	26.3	22.2	-15.6%
Community Activities	11.7	10.8	-	-	11.7	10.8	-7.7%
Water	-	-	22.4	20.3	22.4	20.3	-9.4%
Sewer	-	-	13.1	13.5	13.1	13.5	3.1%
Golf	-	-	5.2	5.2	5.2	5.2	0.0%
Other	-	-	2.8	2.8	2.8	2.8	0.0%
Interest on long-term debt	1.5	-	-	-	1.5	0.0	-100.0%
Indirect charges	-	-	0.6	0.5	0.6	0.5	-16.7%
Total expenses	<u>111.4</u>	<u>102.7</u>	<u>44.1</u>	<u>42.3</u>	<u>155.5</u>	<u>145.0</u>	-6.8%
Revenues over (under) expenses	<u>(9.1)</u>	<u>10.0</u>	<u>(5.6)</u>	<u>(3.7)</u>	<u>(14.7)</u>	<u>6.3</u>	-142.9%
Transfer In/(Out)	0.9	(0.8)	(0.9)	0.8	0.0	0.0	0.0%
Change in net position	(8.2)	9.2	(6.5)	(2.9)	(14.7)	6.3	-142.9%
Net position, beginning of year	630.0	621.8	242.4	235.8	872.4	857.6	-1.7%
Net position, end of year	<u>\$621.8</u>	<u>\$631.0</u>	<u>\$235.9</u>	<u>\$232.9</u>	<u>\$857.7</u>	<u>\$863.9</u>	0.7%

Changes in Net Position

Governmental Activities increased the City's net position by \$9.2 million in 2013/14FY. Key factors in the increase are as follows:

Total governmental activities revenues increased approximately \$10.4 million over the 2012/13FY.

Program Revenues - \$4.1 million increase

- Operating grants and contributions decreased \$0.9 million in 2013/14FY over the 2012/13FY. The majority of the decrease is primarily due to the receipt of a one-time operating housing subsidy of \$0.4 million in the 2012/13FY from Ponderosa Homes. Community Development Block Grant operating grant reimbursements decreased approximately \$0.2 million due to predevelopment activities in the 2012/13FY for a future health clinic with remodeling activities scheduled to occur in 2014/15FY.
- Capital grants and contributions increased by \$5.0 million. The majority of the increase is attributable to the receipt of a one-time traffic impact fee totaling \$4.5 million from GHC Bernal Investors, LLC for the Interstate 680 at Bernal Interchange Improvements project.

General Revenues - \$6.3 million increase

- Property Tax increased \$1.8 million in 2013/14FY primarily due to the increase in assessed property values (4.1%).
- Sales Tax revenue increased \$1.9 million primarily due to the continuing upward growth of the economy.
- Other taxes increased \$0.7 million, primarily in Hotel Tax (\$0.4 million) as a result of the improved economy.
- Other general revenues increased \$1.9 million. A majority of the increase is the result of improved investment earnings in 2013/14FY.

The City's governmental activities expenses decreased \$8.7 million over the 2012/13FY.

- Public Safety expenses decreased \$5.3 million in 2013/14FY. This is attributable to the workers' compensation liability for fire employees of \$2.9 million in 2012/13FY compared to \$0.9 million in the 2013/14FY. In addition, in the 2012/13FY, Public safety included a one-time capital contribution charge to the Fire Retirees Medical Reserve Internal Service Fund of \$3.7 million to move the City of Livermore's portion of the fund to the LPFD Retiree Medical Agency Fund. An offset to these decreases in expenses was an increase in Public safety personnel costs of \$1.4 million in 2013/14FY.
- Community Development expenses increased \$3.8 million in 2013/14FY primarily due to the Interstate 580 at Foothill Road Interchange Improvements (\$4.3 million) and the LED Street Light Retrofit project (\$1.3 million).
- Operations Services expenses decreased \$4.1 million in 2013/14FY. A majority of the decrease was due to the 2012/13FY expenses of \$3.3 million for street resurfacing and slurry projects.
- Interest on long-term debt decreased \$1.5 million as a result of the payoff of the 2003 COPs in the 2012/13FY.

Business-type activities decreased the City's net position by \$2.9 million.

The City's Business-type activities provide the same type of information as the proprietary fund financial statements, but are presented in a more summarized format. Key changes in the Business-type activities are as follows:

- Water expenses decreased \$2.1 million from the 2012/13FY, mainly due to decreased water purchases of \$1.4 million in 2013/14FY. The City was required by the State of California to reduce water consumption in 2013/14FY by 25%. As a result of this, consumption of water by City customers decreased, requiring the City to purchase less water from Zone 7,
- Sewer expenses increased \$0.4 million from the 2012/13FY, mainly due to increased sewer service charges of \$0.3 million in 2013/14FY.

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*. In June 2013, the Golf Course Debt Service Reserve was used to pay off the golf course debt (2003 COPs); as such, the City no longer has an *Assigned fund balance* in its General Fund.

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 10* in the **Notes to the Basic Financial Statements**.

As of June 30, 2014, the City's governmental funds reported combined fund balances of \$93.7 million, an increase of \$5.5 million in comparison with the 2012/13FY. A majority of the increase was traffic impact fees of \$4.5 million for the Interstate 680 at Bernal Interchange Improvements project and park dedication fees of \$1.3 million for the Saint Anton Apartment development.

Restricted fund balances constitute \$59.5 million of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. *Committed fund balances* of \$9.7 million are constrained for a specific purpose by the governmental entity and committed as such by the City Council, the City's highest level of decision making authority. *Assigned fund balances* of \$19.9 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 \$4.4 million consist of amounts that have not been classified as nonspendable, restricted, committed or assigned.

The following table presents the Governmental Funds' fund balances by classification as of June 30, 2014:

	General Fund	Lower Income Housing Fund	Miscellaneous Grant Fund	Other Funds	Total
Nonspendable					
Notes Receivable	\$ 218,082	\$ -	\$ -	\$ -	\$ 218,082
Restricted					
Assessment District Construction	-	-		1,940,430	1,940,430
Asset Forfeiture	-	-		40,882	40,882
Budgeted Developer Projects	-	-		7,905,352	7,905,352
Community Access Television	-	-		471,424	471,424
Debt Service Reserves	-	-		388,514	388,514
Donations	-	-		232,583	232,583
Downtown & North Pleasanton	-	-		3,986,044	3,986,044
Geological Hazard Assessmt District	-	-		893,789	893,789
Grants	-	-		143,044	143,044
Housing	-	16,495,305		-	16,495,305
Landscape and Lighting District	-	-		377,545	377,545
Landscape Maintenance NPID	-	-		1,115,395	1,115,395
Marilyn Kane Trail Reserve	-	-		105,766	105,766
Other Purposes	-	-		10,000	10,000
Park Development	-	-		5,638,787	5,638,787
Public Facilities Capital Improvements	-	-		3,446,670	3,446,670
Public Safety	-	-		270,434	270,434
Resource Management	-	-		795,615	795,615
Street Maintenance	-	-		6,340,584	6,340,584
Traffic Impact	-	-		2,832,255	2,832,255
Traffic Impact - Bernal	-	-		4,881,423	4,881,423
Tri-Valley Transportation	-	-		433,995	433,995
Various Specific Plan	-	-		797,118	797,118
Committed					
Economic Uncertainty	9,650,614	-		-	9,650,614
Assigned					
Capital Projects	-	-		19,837,709	19,837,709
Other Purposes	-	-		34,531	34,531
Unassigned	5,136,347	-	(732,151)	-	4,404,196
Total Fund Balances	<u>\$ 15,005,043</u>	<u>\$ 16,495,305</u>	<u>\$ (732,151)</u>	<u>\$ 62,919,889</u>	<u>\$ 93,688,086</u>

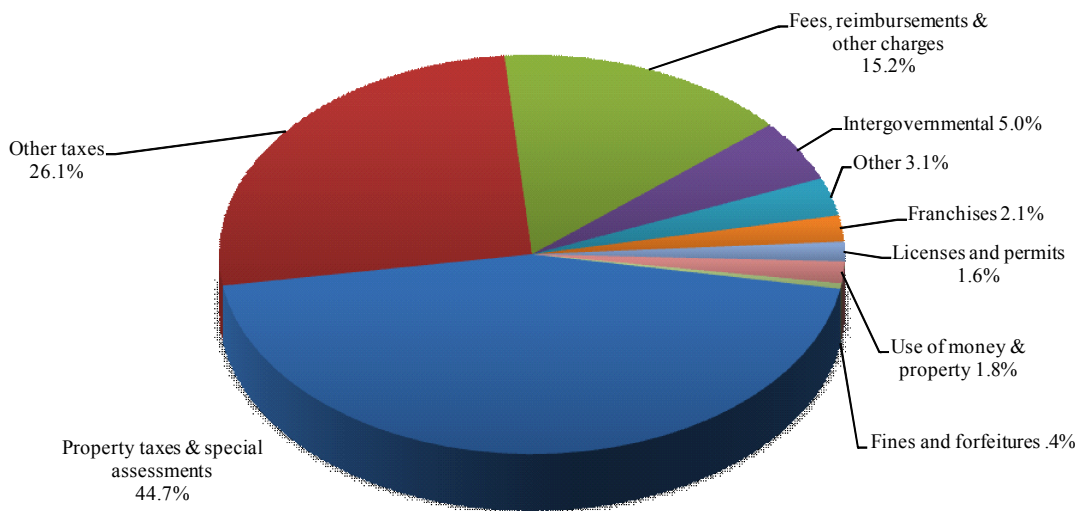
Revenues

The following table presents the 2013/14FY revenues from various sources, as well as the increase or decrease in these revenues over the 2012/13FY.

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

Revenues by Source	FY 2013		FY 2014		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 48.9	47.0%	\$ 50.7	44.7%	\$ 1.8	3.7%
Other taxes	27.3	26.3%	29.6	26.1%	2.3	8.4%
Licenses and permits	2.0	1.9%	1.8	1.6%	(0.2)	-10.0%
Fines and forfeitures	0.6	0.6%	0.5	0.4%	(0.1)	-16.7%
Use of money & property	1.0	1.0%	2.0	1.8%	1.0	100.0%
Intergovernmental	7.5	7.2%	5.7	5.0%	(1.8)	-24.0%
Franchises	2.1	2.0%	2.4	2.1%	0.3	14.3%
Fees, reimbursements & other charges	11.1	10.7%	17.2	15.2%	6.1	55.0%
Other	3.5	3.4%	3.5	3.1%	-	0.0%
Total	\$ 104.0	100.0%	\$ 113.4	100.0%	\$ 9.4	9.0%

Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source in 2013/14FY.

- **Property tax** increased \$1.8 million primarily due to the increase in assessed property values (4.1%).
- **Other taxes** increased \$2.3 million primarily due to increases in sales tax (\$1.9 million) and hotel tax (\$0.4 million) as a result of the improved economy.
- **Intergovernmental revenues** decreased \$1.8 million (24.0%). This decrease is primarily due to the receipt in 2012/13FY of the 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** increased \$6.1 million (55.0%). The majority of the increase was due to collection of developer traffic impact fees of \$4.5 million for the Interstate 680 at Bernal Interchange Improvements project and park dedication fees of \$1.3 million for the Saint Anton Apartment development project.

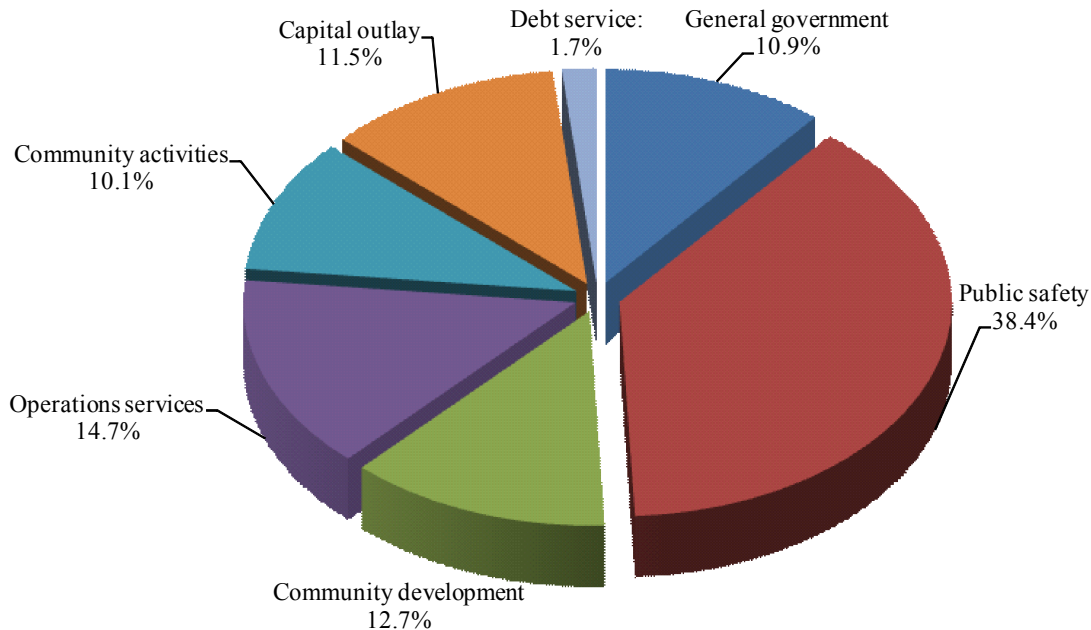
Expenditures

The following table presents expenditures by function in the 2013/14FY and the increase and decrease in expenditures as compared to the 2012/13FY.

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

Expenditures by Function	FY 2013		FY 2014		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$11.9	9.6%	\$11.8	10.9%	-\$0.1	-0.8%
Public safety	39.8	32.2%	41.6	38.4%	1.8	4.5%
Community development	12.9	10.4%	13.8	12.7%	0.9	7.0%
Operations services	14.5	11.7%	15.9	14.7%	1.4	9.7%
Community activities	11.0	8.9%	11.0	10.1%	0.0	0.0%
Capital outlay	10.3	8.3%	12.5	11.5%	2.2	21.4%
Debt service:						
Principal	22.1	17.9%	1.8	1.7%	(20.3)	-91.9%
Interest and fiscal charges	1.2	1.0%	-	0.0%	-1.2	-100.0%
Total	<u>\$123.7</u>	<u>100.0%</u>	<u>\$108.4</u>	<u>100.0%</u>	<u>-\$15.3</u>	<u>-12.4%</u>

Expenditures by Function - Governmental Funds



The following provides an explanation of the \$15.3 million decrease in expenditures by function in 2013/14FY as compared to 2012/13FY.

- **Public Safety** – The net increase of \$1.8 million is mainly due to an increase in personnel costs of \$1.4 million in 2013/14FY due to an increase in workers' compensation expenditures in the Fire Department.
- **Operations Services** – The net increase of \$1.4 million is mainly due to an increase in repair and replacement funding in the Park and Median Renovation and Facilities Renovation Internal Service Funds.
- **Capital Outlay** – The net increase of \$2.2 million is mainly due to the Interstate 580 at Foothill Road Interchange Improvements (\$4.3 million), the LED Street Light Retrofit project (\$1.3 million) and a decrease in annual street resurfacing projects (\$3.3 million).
- **Debt service and related interest** – Debt service and related interest payments decreased \$20.3 million mainly due to the payoff of the 2003 COPs of \$20.7 million and related interest in the 2012/13FY.

Major Governmental Funds

The designated major *Governmental funds* in 2013/14FY are the General Fund, Lower Income Housing Fund, and the Miscellaneous Grants 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 2013/14FY are reflected in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues were greater than projected by \$2.2 million (2.4%).
- Expenditures including net transfers were less than expected by \$2.7 million (2.8%).

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 2013/14FY operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of 6/30/2014

	Balance 6/30/2013	Budgeted Additions and Deletions	Actual Additions and Deletions	Budget to Actual Variance	Balance 6/30/2014
Committed Reserves					
Economic Uncertainty	\$ 9,229,188	\$ 421,426	\$ 421,426	\$ -	\$ 9,650,614
Unassigned*	3,425,359	1,701,767	1,710,988	(9,221)	5,136,347
Nonspendable*	264,456	-	(46,374)	46,374	218,082
Total Fund Balance	\$ 12,919,003	\$ 2,123,193	\$ 2,086,040	\$ 37,153	\$ 15,005,043

* The \$9,221 variance in Unassigned Fund Balance and the \$46,374 variance in Nonspendable 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. 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 amounted to \$245,745 in 2013/14FY. Housing loan repayments and interest payments totaled \$0.5 million and included a \$249,000 interest payment from BLP Partnership, Inc.

The **Miscellaneous 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 incurred \$1.0 million of expenditures on the Dolores Bengtson Aquatic Center Renovation project during the 2013/14FY of which \$0.8 million will be reimbursed with Measure WW grant funding. The City also received federal funding from the California Department of Transportation for interchange improvements at Interchange 580 at Foothill Road. The City incurred \$4.4 million of expenditures on the project during the 2013/14FY of which \$0.6 million was reimbursed with grant funding.

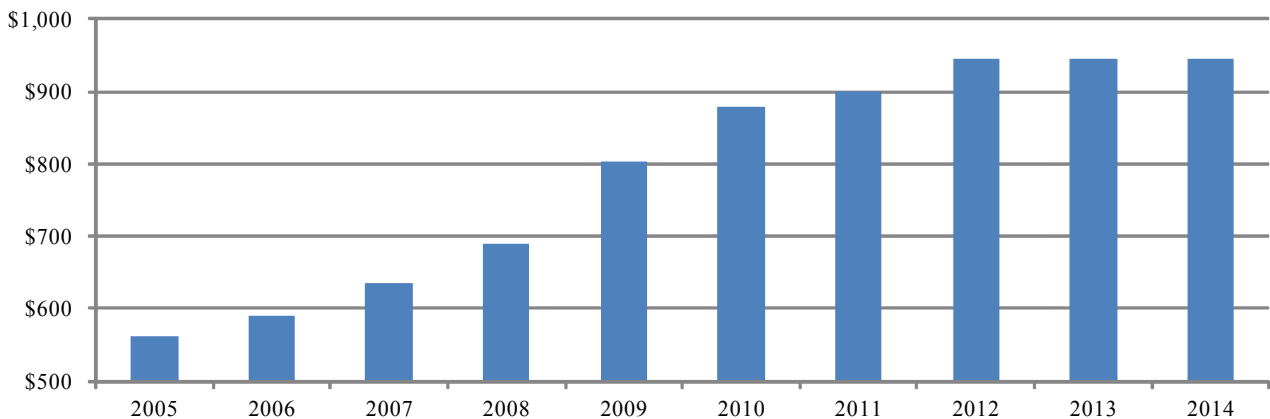
Major Proprietary Funds

The designated major *Proprietary funds* in the 2013/14FY are the Water, Sewer, Golf, and Storm Drain funds.

The **Water Fund’s** net position increased \$0.1 million in the 2013/14FY due primarily to depreciation expense of \$3.3 million, offset by an increase in operating income of \$1.9 million and non-operating income of \$1.5 million from grants, interest, capital contributions received, connection fees, and transfers.

The major cost increases for the Water Fund has been the rate increases over the past several years by Zone 7 in treated wholesale water. The graph below depicts the price increases over the last ten years in the Zone 7 treated water rates 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 and the City annually increases the City’s water rates based on the change in consumer price index (CPI).

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



The **Sewer Fund's** net position decreased \$0.5 million in the 2013/14FY due primarily to depreciation expense of \$2.9 million, offset by an increase in operating income of \$1.3 million, and non-operating income of \$1.1 million from connection fees, capital contributions received, interest income and transfers. The major cost increases for the Sewer Fund has been the rate hikes in Dublin San Ramon Services District (DSRSD) regional sewer treatment rates. The City's sewer rate ordinance requires the City to increase its sewer rates to pass through the increase in DSRSD rates in order to remain fiscally solvent. 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's** net position decreased \$1.6 million in the 2013/14FY due largely to depreciation expense of \$1.7 million for golf course facilities

The **Storm Drain Fund's** net position decreased \$0.8 million in the 2013/14FY due primarily to depreciation expense of \$1.1 million.

Fiduciary Funds

There were no designated major funds in the *Fiduciary funds* in the 2013/14FY.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's budget to actual variances for the 2013/14FY. The Original Budget was established in June 2013 when the City adopted the two year budget for fiscal years 2013/14 and 2014/15. The Final Budget was adopted in October 2014 when the City Council approved the year-end report for the 2013/14FY. Actual revenues were greater than final budget by \$2.2 million (2.4%) and expenditures were less than budget by about \$2.5 million (2.7%).

The increase in fund balance of \$2.1 million is due to revenues of \$96.6 million exceeding expenditures and net transfers of \$94.5 million. The improved housing market and increased economic activity throughout the City contributed to the growth in the City's General Fund revenues.

General Fund 2013/14FY Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 92,414,679	\$ 94,371,951	\$ 96,592,182	\$ 2,220,231
Expenditures	(90,856,187)	(94,682,266)	(92,173,406)	2,508,860
Other Financing Sources(Uses):				
Transfers in	899,954	879,954	1,046,575	166,621
Transfers out	(2,458,446)	(3,392,030)	(3,379,311)	12,719
Net change in fund balance	\$ -	\$ (2,822,391)	\$ 2,086,040	\$ 4,908,431

Actual General Fund revenues exceeded final budget estimates by \$2.2 million in the 2013/14FY. The major reason for the increase is the improved economy. The increase of \$2.2 million in revenues is summarized below:

General Fund 2013/14FY Revenues Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 49,350,000	\$ 50,450,000	\$ 50,366,776	\$ (83,224)
Sales Tax	20,100,000	20,070,000	20,993,123	923,123
Documentary Transfer Tax	690,000	690,000	733,805	43,805
Business License Tax	3,050,000	3,150,000	3,150,104	104
Hotel Tax	3,750,000	4,000,000	4,298,581	298,581
Development Services Fees	4,083,665	4,374,000	4,495,534	121,534
Franchise Fees	2,285,000	2,300,000	2,371,125	71,125
Recreation Fees	3,604,500	3,469,250	3,772,869	303,619
Library Revenues	87,600	98,600	120,880	22,280
Other Fees	934,900	929,920	943,303	13,383
Grants & Intergovernmental	502,000	485,000	495,242	10,242
Reimbursements	618,920	688,742	1,111,491	422,749
Interest Income	245,000	185,000	289,337	104,337
Inter-fund Labor Charges	2,453,239	2,453,239	2,297,572	(155,667)
Other Revenues	659,855	1,028,200	1,152,440	124,240
Total	\$ 92,414,679	\$ 94,371,951	\$ 96,592,182	\$ 2,220,231

Actual General Fund expenditures of \$92.2 million were less than the final budget estimates by \$2.5 million (2.6%). The majority of the decrease was primarily due to reductions in materials, supplies and services. The decrease of \$2.5 million in expenditures is summarized below.

General Fund 2013/14FY Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 69,932,286	\$ 71,573,857	\$ 71,184,230	\$ 389,627
Transportation and Training	1,751,671	2,084,042	1,999,174	84,868
Repairs and Maintenance	2,883,098	3,591,619	3,453,541	138,078
Material, Supplies and Services	15,697,816	16,852,232	15,027,647	1,824,585
Capital Outlay	591,316	580,516	508,814	71,702
Total	\$ 90,856,187	\$ 94,682,266	\$ 92,173,406	\$ 2,508,860

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, 2014 was \$664.2 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 \$7.0 million (1.5%) from the prior fiscal year. Major capital asset events during the current fiscal year included:

- Governmental activities net capital assets increased overall by \$0.2 million in the 2013/14FY. Additions and adjustments in capital assets of \$13.2 million were offset by decreases of \$13.0 million from the retirement of assets (\$0.2 million) and depreciation (\$12.8 million). Capital assets activity included:
 - Various construction-in-progress projects were added in 2013/14FY and totaled \$9.7 million, including improvements at the Dolores Bengtson Aquatic Center (\$1.0 million), improvements to the Foothill Road/I-580 interchange (\$4.4 million), and LED Streetlight Retrofit project (\$1.3 million). Completed construction projects of \$7.3 million were transferred to various asset categories. The major completed projects included the Dolores Bengtson Aquatic Center (\$3.7 million), Staples Ranch development projects (\$0.8 million) and the pavement overlay of streets (\$0.9 million).
 - Capital asset additions totaling \$3.2 million included the land acquisition of the Northern Portion of the Alameda County Transportation Corridor for \$1.7 million, various machinery and equipment of \$0.8 million and vehicle purchases of \$0.7 million.
 - These additions were offset by the retirement of assets (\$0.2 million) and net depreciation expense (\$12.8 million).
- Business-type activities net capital assets decreased overall by \$7.2 million in 2013/14FY. Additions in capital assets of \$2.0 million were offset by decreases of \$9.2 million from the retirement of assets (\$0.2 million) and depreciation (\$9.0 million). Capital assets activity included:
 - Additions to construction-in-progress projects totaled \$0.8 million and included \$0.6 million to the Annual Water Main Replacement projects.
 - Contributed assets totaled \$1.2 million. During development of the Ironwood Active Adult Community, the developers installed water and sewer lines, meters and hydrants required for the project. These assets were dedicated to the City and recorded as infrastructure in the City's Water and Sewer Funds.
 - These additions were offset by the retirement of assets (\$0.2 million) and net depreciation expense (\$9.0 million).

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 2013/14FY.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	2013	2014	2013	2014	2013	2014	<u>% Change</u>
Infrastructure	\$113.8	\$108.2	\$122.3	\$118.1	\$236.1	\$226.3	-4.2%
Land	238.1	239.8	14.4	14.5	252.5	254.3	0.7%
Right-of-ways	36.4	36.4	-	-	36.4	36.4	0.0%
Buildings	53.5	55.7	19.7	22.7	73.2	78.4	7.1%
Improvements other than buildings	22.6	21.2	19.2	17.6	41.7	38.8	-7.0%
Vehicles & equipment	8.9	9.6	9.0	8.3	17.9	17.9	-0.2%
Public Art	0.3	0.7	-	-	0.3	0.7	104.7%
Construction in progress	7.6	9.7	5.4	1.7	13.0	11.5	-11.8%
Total	\$481.2	\$481.4	\$190.0	\$182.8	\$671.2	\$664.2	-1.0%

Additional information about the City's capital assets can be found in *Note 5* in the **Notes to Basic Financial Statements**.

Debt Administration

Debt, considered a liability of governmental activities, decreased by \$0.1 million in the 2013/14FY.

- The 2004 COPs outstanding were reduced by \$0.4 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 increased \$0.7 million in 2013/14FY; \$1.7 million as the result of the purchase of the Northern Portion of the Alameda County Transportation Corridor offset by \$1.0 million from the normal amortization of the note payable.
- Payments on the LifePak cardiac monitor/defibrillators capital lease during the fiscal year totaled \$30,143. Lease payments are equally shared between the City of Pleasanton and the City of Livermore. The lease is the obligation of the City of Pleasanton and the activity is reflected in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

Debt of the business-type activities decreased in the 2013/14FY 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 \$129,549.

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, 2013 and 2014:

**City of Pleasanton
Long Term Debt Outstanding**

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
2004 Refunding Lease Certificates of Participation	\$ 750,000	\$ 380,000	\$ -	\$ -	\$ 750,000	\$ 380,000
State CALHFA Help Program note payable	342,487	-	-	-	342,487	-
Alameda County Transportation Corridor Purchase Agmt	1,404,000	2,060,833	-	-	1,404,000	2,060,833
Fire Equipment Capital Lease	82,728	52,585	-	-	82,728	52,585
2004 Sewer Revenue Bonds	-	-	355,000	180,000	355,000	180,000
Golf Course Capital Lease	-	-	375,864	246,315	375,864	246,315
TOTAL	\$ 2,579,215	\$ 2,493,418	\$ 730,864	\$ 426,315	\$ 3,310,079	\$ 2,919,733

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

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

The unemployment rate in Alameda County has improved to 5.8% as of June 2014, as compared with 7.4% for June 2013, and the unemployment rate in the City of Pleasanton has also shown some modest improvement at 3.2% as of June 2014 compared to the prior year of 4.5%.

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 original 2014/15FY budget was amended with the 2014/15FY Midterm Budget adopted on June 17, 2014. The adopted midterm 2014/15FY General Fund Budget of approximately \$95.0 million is a slight increase (.3%) from the final 2013/14FY budget, and the City is anticipating that current revenue sources will match expenditures and net transfers.

The required contribution rates as a percentage of payroll for the City's employer share of retirement funding will change effective July 1, 2014 to the following:

- Miscellaneous Plan 25.659%
- Safety Fire Plan 36.979%
- Safety Police Plan (pooled) 27.849% (1st Tier)
21.367% (2nd Tier)
11.500% (PEPRA)

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 unit 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

City of Pleasanton
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 151,091,114	\$ 38,522,425	\$ 189,613,539
Receivables (net):			
Accounts	7,053,271	4,135,099	11,188,370
Taxes	673,998	-	673,998
Grants	3,673,235	-	3,673,235
Interest	684,726	57,188	741,914
Lease	879,959	-	879,959
Internal balances	(669,965)	669,965	-
Inventory and prepaid expenses	-	113,347	113,347
Prepaid pension asset	909,732	90,268	1,000,000
Restricted cash and investments	388,515	68,503	457,018
Notes receivable	7,007,264	-	7,007,264
Net investment in joint ventures	-	10,425,330	10,425,330
Capital assets:			
Nondepreciable	286,623,034	16,243,116	302,866,150
Depreciable, net	194,808,141	166,602,800	361,410,941
Total assets	<u>653,123,024</u>	<u>236,928,041</u>	<u>890,051,065</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unspent grant funds	24,480	-	24,480
Total deferred outflows of resources	<u>24,480</u>	<u>-</u>	<u>24,480</u>
LIABILITIES			
Accounts payable	7,481,072	2,929,306	10,410,378
Payroll payable	813,765	81,240	895,005
Interest payable	7,759	-	7,759
Refundable deposits	91,856	111,902	203,758
Unearned revenue	89,951	505,088	595,039
Long-term liabilities:			
Due within one fiscal year	4,688,960	294,240	4,983,200
Due in more than one fiscal year	8,903,832	132,075	9,035,907
Total liabilities	<u>22,077,195</u>	<u>4,053,851</u>	<u>26,131,046</u>
NET POSITION			
Net investment in capital assets	478,618,864	182,419,601	661,038,465
Restricted for:			
Debt service	388,515	68,503	457,018
Capital projects	38,346,332	5,176,835	43,523,167
Special projects	3,517,187	-	3,517,187
Community development	17,290,920	-	17,290,920
Total restricted net position	<u>59,542,954</u>	<u>5,245,338</u>	<u>64,788,292</u>
Unrestricted net position	92,908,491	45,209,251	138,117,742
Total net position	<u>\$ 631,070,309</u>	<u>\$ 232,874,190</u>	<u>\$ 863,944,499</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, 2014

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 11,493,527	\$ (1,132,550)	\$ 351,432	\$ -	\$ -
Public safety	42,173,584	-	1,871,706	634,608	-
Community development	15,958,840	(268,577)	5,406,350	473,685	6,320,730
Operations services	22,238,387	863,200	615,063	-	4,418,178
Community activities	10,767,100	-	3,920,184	338,011	2,583,749
Interest on long-term debt	36,565	-	-	-	-
Total governmental activities	102,668,003	(537,927)	12,164,735	1,446,304	13,322,657
Business-type activities:					
Water	20,259,732	(303,852)	19,542,181	18,631	-
Sewer	13,544,429	853,223	13,591,371	-	-
Golf	5,217,734	-	3,781,952	-	-
Transit	656,825	-	29,287	96,140	-
Storm Drain	1,674,243	(13,027)	361,348	-	-
Cemetery	86,612	1,583	49,142	-	-
Housing	400,015	-	176,432	-	-
Total business-type activities	41,839,590	537,927	37,531,713	114,771	-
Total primary government	\$ 144,507,593	\$ -	\$ 49,696,448	\$ 1,561,075	\$ 13,322,657

General Revenues:

Taxes:

Property

Other

Sales tax

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
\$ (10,009,545)	\$ -	\$ (10,009,545)
(39,667,270)	-	(39,667,270)
(3,489,498)	-	(3,489,498)
(18,068,346)	-	(18,068,346)
(3,925,156)	-	(3,925,156)
(36,565)	-	(36,565)
<u>(75,196,380)</u>	<u>-</u>	<u>(75,196,380)</u>
-	(395,068)	(395,068)
-	(806,281)	(806,281)
-	(1,435,782)	(1,435,782)
-	(531,398)	(531,398)
-	(1,299,868)	(1,299,868)
-	(39,053)	(39,053)
-	(223,583)	(223,583)
<u>-</u>	<u>(4,731,033)</u>	<u>(4,731,033)</u>
<u>(75,196,380)</u>	<u>(4,731,033)</u>	<u>(79,927,413)</u>
50,366,818	-	50,366,818
8,278,095	-	8,278,095
20,993,123	-	20,993,123
2,371,125	-	2,371,125
<u>82,009,161</u>	<u>-</u>	<u>82,009,161</u>
2,326,506	525,766	2,852,272
868,797	456,905	1,325,702
(774,943)	774,943	-
<u>84,429,521</u>	<u>1,757,614</u>	<u>86,187,135</u>
9,233,141	(2,973,419)	6,259,722
<u>621,837,168</u>	<u>235,847,609</u>	<u>857,684,777</u>
<u>\$ 631,070,309</u>	<u>\$ 232,874,190</u>	<u>\$ 863,944,499</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Lower Income Housing Fund	Miscellaneous Grants Fund	Non-major Governmental Funds	Total
ASSETS					
Cash and investments	\$ 7,524,134	\$ 16,265,602	\$ -	\$ 64,268,495	\$ 88,058,231
Receivables (net):					
Accounts	5,960,526	14,000	-	824,200	6,798,726
Taxes	673,998	-	-	-	673,998
Grants	-	-	2,984,473	688,762	3,673,235
Interest	28,924	289,225	-	280,327	598,476
Lease	-	879,959	-	-	879,959
Due from other funds	4,387,090	-	-	-	4,387,090
Restricted cash and investments	-	-	-	388,515	388,515
Notes receivable, net	218,082	4,777,282	-	2,011,900	7,007,264
Total assets	18,792,754	22,226,068	2,984,473	68,462,199	112,465,494
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	24,480	24,480
Total assets and deferred outflows of resources	\$ 18,792,754	\$ 22,226,068	\$ 2,984,473	\$ 68,486,679	\$ 112,489,974
LIABILITIES					
Accounts payable	\$ 2,927,672	\$ 55,634	\$ 11,317	\$ 2,521,442	\$ 5,516,065
Payroll payable	813,765	-	-	-	813,765
Due to other funds	-	-	3,653,694	709,921	4,363,615
Refundable deposits	-	2,189	-	89,667	91,856
Unearned revenue	46,274	-	-	43,677	89,951
Total liabilities	3,787,711	57,823	3,665,011	3,364,707	10,875,252
DEFERRED INFLOWS OF RESOURCES					
	-	5,672,940	51,613	2,202,083	7,926,636
FUND BALANCES					
Nonspendable	218,082	-	-	-	218,082
Restricted	-	16,495,305	-	43,047,649	59,542,954
Committed	9,650,614	-	-	-	9,650,614
Assigned	-	-	-	19,872,240	19,872,240
Unassigned	5,136,347	-	(732,151)	-	4,404,196
Total fund balances	15,005,043	16,495,305	(732,151)	62,919,889	93,688,086
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,792,754	\$ 22,226,068	\$ 2,984,473	\$ 68,486,679	\$ 112,489,974

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, 2014

Fund Balances - Total Governmental Funds	\$ 93,688,086
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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 \$9,415,713.	472,015,462
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Notes and lease receivables are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the fund financial statements.	7,926,636
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Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/ renovation and self-insurance programs to individual departments or to other governments. The assets and liabilities are included in governmental activities in the Statement of Net Position.	59,941,301
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Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the Governmental Fund Financial Statements:

2004 Certificates of Participation	(380,000)
Note payable to Alameda County	(2,060,833)
Capital lease	(52,585)
Accrued interest payable	(7,758)

Net Position of Governmental Activities	<u>\$ 631,070,309</u>
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See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	General Fund	Lower Income Housing Fund	Miscellaneous Grants Fund	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 80,036,078	\$ -	\$ -	\$ -	\$ 80,036,078
Special assessments	-	-	-	204,912	204,912
Licenses	9,864	-	-	5,670	15,534
Permits	1,809,142	-	-	-	1,809,142
Fines and forfeitures	528,070	-	-	-	528,070
Use of money and property	289,333	902,693	-	810,281	2,002,307
Intergovernmental	683,360	-	860,844	4,121,152	5,665,356
Franchises	2,371,125	-	-	-	2,371,125
Charges for services	971,566	-	-	31,983	1,003,549
Development fees	524,988	245,745	-	7,788,786	8,559,519
Plan check fees	2,124,937	-	-	-	2,124,937
Reimbursements	1,111,492	218,083	-	430,251	1,759,826
Contributions and donations	10,101	-	-	537,541	547,642
Other revenues	2,349,254	-	-	636,056	2,985,310
Recreation charges	3,772,872	-	-	-	3,772,872
Total revenues	96,592,182	1,366,521	860,844	14,566,632	113,386,179
EXPENDITURES:					
Current:					
General government	11,773,367	-	-	-	11,773,367
Public safety	41,449,544	-	-	179,196	41,628,740
Community development	12,030,503	1,429,946	-	301,144	13,761,593
Operations services	15,454,677	-	-	449,468	15,904,145
Community activities	10,924,926	-	-	112,473	11,037,399
Capital outlay	508,814	-	1,592,995	10,408,873	12,510,682
Debt Service:					
Principal	30,143	342,487	-	1,400,417	1,773,047
Interest	1,432	-	-	27,903	29,335
Total expenditures	92,173,406	1,772,433	1,592,995	12,879,474	108,418,308
REVENUES OVER (UNDER) EXPENDITURES	4,418,776	(405,912)	(732,151)	1,687,158	4,967,871
OTHER FINANCING SOURCES (USES):					
Issuance of notes payable	-	-	-	1,687,250	1,687,250
Transfers in	1,046,575	-	-	1,807,244	2,853,819
Transfers out	(3,379,311)	-	-	(635,036)	(4,014,347)
Total other financing sources (uses)	(2,332,736)	-	-	2,859,458	526,722
Net change in fund balances	2,086,040	(405,912)	(732,151)	4,546,616	5,494,593
FUND BALANCES:					
Beginning of year	12,919,003	16,901,217	-	58,373,273	88,193,493
End of year	\$ 15,005,043	\$ 16,495,305	\$ (732,151)	\$ 62,919,889	\$ 93,688,086

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, 2014

Net Change in Fund Balances - Total Governmental Funds	\$	5,494,593
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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 \$1,521,258).	11,409,166
Depreciation (net of internal service funds of \$1,424,416).	(11,358,527)

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.

	(229,897)
--	-----------

Loans receivable are not considered available revenue and are classified as deferred inflows of resources in the governmental funds.

	1,356,109
--	-----------

Prepaid bond insurance costs are expensed in the Fund Statements and amortized in the Government-wide Statements

	(12,942)
--	----------

Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. Accrued interest payable decreased by this amount.

	5,712
--	-------

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

	(1,687,250)
--	-------------

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	1,030,417
State CALHFA Help Program Note Payable	342,487
2004 Certificates of Participation	370,000
Capital lease	30,143

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.

	2,483,130
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Change in Net Position of Governmental Activities	\$	9,233,141
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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, 2014**

	Business-type Activities - Enterprise Funds					Total	Governmental
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds		Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 21,931,935	\$ 13,997,151	\$ 272,012	\$ 1,346,690	\$ 974,637	\$ 38,522,425	\$ 63,032,883
Receivables (net):							
Accounts	2,356,270	1,721,800	977	3,725	52,327	4,135,099	254,545
Interest	32,526	21,813	673	1,589	587	57,188	86,250
Inventory and prepaid expenses	-	-	113,347	-	-	113,347	-
Prepaid pension asset	-	-	-	-	-	-	1,000,000
Restricted cash and investments	-	68,503	-	-	-	68,503	-
Total current assets	24,320,731	15,809,267	387,009	1,352,004	1,027,551	42,896,562	64,373,678
Noncurrent assets:							
Net investment in joint ventures	-	10,425,330	-	-	-	10,425,330	-
Advances to other funds	-	-	-	-	-	-	4,610,266
Capital assets:							
Nondepreciable	2,359,572	1,363,420	12,434,327	24,047	61,750	16,243,116	616,266
Depreciable, net	68,989,306	54,080,136	19,647,765	23,659,229	226,364	166,602,800	8,799,447
Total noncurrent assets	71,348,878	65,868,886	32,082,092	23,683,276	288,114	193,271,246	14,025,979
Total assets	95,669,609	81,678,153	32,469,101	25,035,280	1,315,665	236,167,808	78,399,657
LIABILITIES							
Current liabilities:							
Accounts payable	1,046,660	1,590,291	228,909	6,192	57,254	2,929,306	1,965,007
Due to other funds	-	-	-	-	23,475	23,475	-
Payroll payable	47,259	22,464	-	4,980	6,537	81,240	-
Refundable deposits	-	-	99,690	-	12,212	111,902	-
Unearned revenue	104,840	-	226,188	-	174,060	505,088	-
Accrued compensated absences	-	-	-	-	-	-	1,059,392
Claims payable	-	-	-	-	-	-	2,198,461
Capital leases payable - due within one year	-	-	114,240	-	-	114,240	-
Bonds payable - due within one year	-	180,000	-	-	-	180,000	-
Total current liabilities	1,198,759	1,792,755	669,027	11,172	273,538	3,945,251	5,222,860
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	-	-	4,610,266
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	3,228,541
Claims payable - due in more than one year	-	-	-	-	-	-	4,612,980
Capital leases payable - due in more than one year	-	-	132,075	-	-	132,075	-
Total noncurrent liabilities	-	-	132,075	-	-	132,075	12,451,787
Total liabilities	1,198,759	1,792,755	801,102	11,172	273,538	4,077,326	17,674,647
NET POSITION							
Net investment in capital assets	71,348,878	55,263,556	31,835,777	23,683,276	288,114	182,419,601	9,096,820
Restricted for:							
Debt service	-	68,503	-	-	-	68,503	-
Capital improvements	3,010,243	2,166,592	-	-	-	5,176,835	-
Unrestricted	20,111,729	22,386,747	(167,778)	1,340,832	754,013	44,425,543	51,628,190
Total net position	\$ 94,470,850	\$ 79,885,398	\$ 31,667,999	\$ 25,024,108	\$ 1,042,127	232,090,482	\$ 60,725,010

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.

	783,708
Net position of business-type activities	<u>\$ 232,874,190</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, 2014

	Business-type Activities - Enterprise Funds					Total	Governmental
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds		Internal Service Funds
OPERATING REVENUES:							
Charges for services	\$ 20,514,813	\$ 13,564,080	\$ 3,781,952	\$ 516,952	\$ 254,861	\$ 38,632,658	\$ 31,864,755
Miscellaneous	16,385	22,953	-	157,166	165,009	361,513	211,322
Total operating revenues	20,531,198	13,587,033	3,781,952	674,118	419,870	38,994,171	32,076,077
OPERATING EXPENSES:							
Personnel services	3,131,101	1,470,299	1,472,037	409,396	691,266	7,174,099	24,486,294
Transportation	98,012	55,644	-	3,272	83,000	239,928	-
Repairs and maintenance	124,925	47,351	644,529	15,389	99,888	932,082	-
Materials, supplies, and services	15,221,877	10,680,045	1,204,788	319,715	171,167	27,597,592	5,042,842
Amortization	26,605	8,302	-	-	-	34,907	-
Depreciation	3,327,239	2,861,846	1,666,893	1,077,535	111,323	9,044,836	1,424,416
Total operating expenses	21,929,759	15,123,487	4,988,247	1,825,307	1,156,644	45,023,444	30,953,552
OPERATING INCOME (LOSS)	(1,398,561)	(1,536,454)	(1,206,295)	(1,151,189)	(736,774)	(6,029,273)	1,122,525
NONOPERATING REVENUES (EXPENSES):							
Grants	18,631	-	-	-	96,140	114,771	15,000
Intergovernmental	-	-	-	-	95,392	95,392	-
Interest income	297,053	198,990	6,034	16,298	7,391	525,766	829,196
Miscellaneous revenue	-	-	-	-	-	-	7,265
Interest expense	-	(9,253)	(7,410)	-	-	(16,663)	-
Equity interest in gain from joint ventures	-	70,462	-	-	-	70,462	-
Gain (loss) from sale of capital assets	-	(148,656)	-	-	-	(148,656)	(1,519)
Total nonoperating revenues (expenses)	315,684	111,543	(1,376)	16,298	198,923	641,072	849,942
Net income (loss) before contributions and transfers	(1,082,877)	(1,424,911)	(1,207,671)	(1,134,891)	(537,851)	(5,388,201)	1,972,467
Capital contributions received	481,014	722,967	-	-	-	1,203,981	14,443
Connection fees	458,850	87,632	-	-	-	546,482	-
Transfers in	245,109	103,697	29	330,000	443,275	1,122,110	1,008,584
Transfers out	-	-	(347,167)	-	-	(347,167)	(623,000)
Total contributions and transfers	1,184,973	914,296	(347,138)	330,000	443,275	2,525,406	400,027
Change in net position	102,096	(510,615)	(1,554,809)	(804,891)	(94,576)	(2,862,795)	2,372,494
NET POSITION:							
Beginning of year	94,368,754	80,396,013	33,222,808	25,828,999	1,136,703		58,352,516
End of year	\$ 94,470,850	\$ 79,885,398	\$ 31,667,999	\$ 25,024,108	\$ 1,042,127		\$ 60,725,010

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. (110,624)

Change in net position of business-type activities \$ (2,973,419)

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash receipt from customers	\$ 21,957,990	\$ 13,669,351	\$ 3,781,987	\$ 516,179	\$ 356,969	\$ 40,282,476	\$ 31,872,026
Cash payment to suppliers for goods and services	(16,812,137)	(10,787,024)	(1,889,992)	(338,714)	(334,404)	(30,162,271)	(3,177,843)
Cash payment to employees for services	(3,122,468)	(1,464,724)	(1,472,037)	(409,950)	(690,878)	(7,160,057)	(24,633,893)
Miscellaneous revenue	37,769	22,953	-	157,166	165,009	382,897	211,322
Net cash provided (used) by operating activities	2,061,154	1,440,556	419,958	(75,319)	(503,304)	3,343,045	4,271,612
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Grants received	18,631	-	-	-	96,140	114,771	15,000
Intergovernmental funds received	-	-	-	-	95,392	95,392	-
Transfer in	245,109	103,697	29	330,000	443,275	1,122,110	1,008,584
Transfer out	-	-	(347,167)	-	-	(347,167)	(623,000)
Repayments on advances from other funds	-	-	-	-	-	-	(848,742)
Prepayment of pension expense	-	-	-	-	-	-	(1,000,000)
Revenue from Agency funds	-	-	-	-	-	-	7,265
Net cash provided (used) by noncapital financing activities	263,740	103,697	(347,138)	330,000	634,807	985,106	(1,440,893)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on long-term debt	-	(175,000)	(129,549)	-	-	(304,549)	-
Interest payments	-	(9,253)	(7,410)	-	-	(16,663)	-
Capital asset acquisition	(644,376)	(87,303)	-	(83,718)	-	(815,397)	(1,838,994)
Connection fees received	458,850	87,632	-	-	-	546,482	-
Net cash provided (used) by capital and related financing activities	(185,526)	(183,924)	(136,959)	(83,718)	-	(590,127)	(1,825,708)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and investment income received	299,973	200,565	5,680	16,796	7,433	530,447	851,519
Repayments on advances to other funds	-	-	-	-	-	-	848,742
Net cash provided by (used in) noncapital investing activities	299,973	200,565	5,680	16,796	7,433	530,447	1,700,261
Net increase (decrease) in cash and cash equivalents	2,439,341	1,560,894	(58,459)	187,759	138,936	4,268,471	2,705,272
CASH AND CASH EQUIVALENTS:							
Beginning of year	19,492,594	12,504,760	330,471	1,158,931	835,701	34,322,457	60,327,611
End of year	\$ 21,931,935	\$ 14,065,654	\$ 272,012	\$ 1,346,690	\$ 974,637	\$ 38,590,928	\$ 63,032,883
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,398,561)	\$ (1,536,454)	\$ (1,206,295)	\$ (1,151,189)	\$ (736,774)	\$ (6,029,273)	\$ 1,122,525
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	3,353,844	2,870,148	1,666,893	1,077,535	111,323	9,079,743	1,424,416
Decrease (increase) in:							
Accounts receivable	1,443,177	105,271	35	(773)	20,543	1,568,253	7,271
Prepaid expense	-	-	-	-	-	-	486,018
Inventory and prepaid items	-	-	8,025	-	-	8,025	-
Increase (decrease) in:							
Accounts payable	(1,367,323)	(3,984)	(57,753)	(338)	38,967	(1,390,431)	1,171,901
Accrued payroll	8,633	5,575	-	(554)	388	14,042	-
Due to other funds	-	-	-	-	(19,316)	(19,316)	-
Unearned revenue	21,384	-	226,188	-	80,971	328,543	-
Refundable deposits	-	-	(217,135)	-	594	(216,541)	-
Accrued benefits payable	-	-	-	-	-	-	(147,599)
Claims payable	-	-	-	-	-	-	207,080
Net cash provided (used) by operating activities	\$ 2,061,154	\$ 1,440,556	\$ 419,958	\$ (75,319)	\$ (503,304)	\$ 3,343,045	\$ 4,271,612
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Capital contributions received	\$ 481,014	\$ 722,967	\$ -	\$ -	\$ -	\$ 1,203,981	\$ 14,443
Total noncash capital and related financing activities	\$ 481,014	\$ 722,967	\$ -	\$ -	\$ -	\$ 1,203,981	\$ 14,443

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Position
Fiduciary Funds
June 30, 2014

	Private-Purpose Trust	Agency
ASSETS	<u> </u>	<u> </u>
Cash and investments	\$ 479,293	\$ 6,398,246
Receivables (net):		
Accounts	425	903,680
Interest	725	4,092
Notes receivable	-	27,900
	<u> </u>	<u> </u>
Total assets	<u>480,443</u>	<u>\$ 7,333,918</u>
LIABILITIES		
Accounts payable	19,615	\$ 2,037,126
Claims	-	2,943,611
Accrued compensated absences	-	579,369
Loans Payable	-	27,900
Deposits	-	1,745,912
	<u> </u>	<u> </u>
Total liabilities	<u>19,615</u>	<u>\$ 7,333,918</u>
NET POSITION		
Net position held in trust	<u>\$ 460,828</u>	

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Changes in Fiduciary Net Position
Trust Funds
For the Year Ended June 30, 2014**

	Private-Purpose Trust
ADDITIONS:	
Investment income	\$ 7,165
Miscellaneous	1,100
Total additions	<u>8,265</u>
DEDUCTIONS:	
Operations services	<u>27,180</u>
Total deductions	<u>27,180</u>
Changes in net position	<u>(18,915)</u>
NET POSITION:	
Beginning of year	<u>479,743</u>
End of year	<u>\$ 460,828</u>

See accompanying Notes to Basic Financial Statements.

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City of Pleasanton
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For the year ended June 30, 2014

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

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 most 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, operations services, 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 entity is reported as a blended component unit:

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 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, 2014

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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, deferred outflows of resources, current liabilities, and deferred inflows of resources 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, 2014

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. 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.

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 Grants Fund – is a special revenue fund used to account for and report the East Bay Regional Parks Measure WW grant and other miscellaneous project related grants.

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.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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 expenses 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 beginning in the 1992/93FY and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City’s storm drain system.

The City reports the following internal service funds:

The Internal Service Funds – account for the City’s employee benefits, public art acquisition and maintenance, equipment replacement/renovations provided to City departments or to other governments, and self-insurance programs – worker’s compensation and general liability - on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fund Net 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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 the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California which invests 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.

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 an unavailable revenue account under the deferred inflows of resources section. For the purposes of the government-wide financial statements, long-term loans are not offset by unavailable revenue accounts.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. *Deferred Inflows/Outflows of Resources*

In accordance with GASB Statement No. 65, *Items previously Reported as Assets and Liabilities*, the Balance Sheet and Statement of Net Position reports deferred outflows of resources separately from assets. This financial statement element represents a consumption of net position that applies to a future period(s) and as such will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item, grant proceeds, that qualifies for reporting in this category. The grant proceeds were provided to an external party to assist with a low income housing loan program and remains unspent as of June 30, 2014.

Similarly, the Balance Sheet and Statement of Net Position reports deferred inflows of resources separately from liabilities. This separate financial element represents an acquisition of net position that applies to a future period(s) and as such will not be recognized as an inflow of resources (revenue) until that time.

H. *Interfund Transactions*

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Advances between funds, reported in the fund financial statements, are 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.

I. *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.

J. *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:

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Capital Assets, Continued

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

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

Capital assets that meet the definition of 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.

K. 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.

L. 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 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 recognized in the period in which they occur.

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.

M. Interest Payable

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

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. 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.

O. 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.”

P. 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.

Q. 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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Fund Balances – Governmental Funds, continued

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.

R. 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.

S. Implementation of New GASB Pronouncements

In the 2013/14FY, the City adopted new accounting standards in order to conform to 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, certain items that were previously reported as assets and recognizes, as deferred inflows of resources, certain items that were previously reported as 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. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement No. 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement No. 4. 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 City has implemented the provisions of this Statement for the year ended June 30, 2014 with no significant impact.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

S. Implementation of New GASB Pronouncements, Continued

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*.

This Statement had no impact on the City’s financial statements for the year ended June 30, 2014.

- 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 had no impact on the City’s financial statements for the year ended June 30, 2014.

- 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.

This statement had no impact on the City’s financial statements for the year ended June 30, 2014.

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

- 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

S. Implementation of New GASB Pronouncements, Continued

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. 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.

2. CASH AND INVESTMENTS

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds. Restricted cash and investments are held with fiscal agent for debt service obligations associated with debt financed City facilities and improvements to the City’s sewer collection system.

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent, at June 30, 2014:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 151,091,114	\$ 38,522,425	\$ 6,877,539	\$ 196,491,078
Restricted cash and investments	388,515	68,503	-	457,018
Total	\$ 151,479,629	\$ 38,590,928	\$ 6,877,539	\$ 196,948,096

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

At June 30, 2014, the City's pooled cash and investments, including restricted funds consisted of the following:

	<u>Fair Value</u>
	<u>June 30, 2014</u>
City Treasury:	
Deposits:	
Cash on hand	\$ 7,525
Deposits with banks	4,203,021
Certificates of deposits	113,900
Total Deposits	<u>4,324,446</u>
Investments	
U.S. Government treasuries	1,999,375
U.S. Government agencies	118,129,098
Money market	18,501,143
Medium-term corporate notes	2,009,920
Certificates of deposits	980,000
California Local Agency Investment Fund	50,547,096
Total Investments	<u>192,166,632</u>
Total City Treasury	196,491,078
Cash with Fiscal Agent	457,018
Total City and fiscal agent cash and investments	<u>\$ 196,948,096</u>

A. Deposits

At June 30, 2014, the carrying amount of the City's cash deposits with the bank had a balance of \$4,203,021 and the bank's balance was \$4,783,388. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,117,797 was covered by federal depository insurance and \$3,665,590 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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

Included in restricted cash and investments at June 30, 2014 was \$457,018 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, 2014 from the fiscal year ended June 30, 2013 amounted to an unrealized loss of \$440,194.

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, 2014, the City held \$103,003,984 in callable notes, which amounted to 53.60% of total investments.

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, 2014, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 5
U.S. Government treasuries	\$ 1,999,375	\$ -	\$ 1,999,375
U.S. Government agencies	118,129,098	4,085,240	114,043,858
Money market	18,501,143	18,501,143	-
Meditum-term notes	2,009,920	-	2,009,920
Certificates of deposit	980,000	980,000	-
California Local Agency Investment Fund	50,547,096	50,547,096	-
Total	\$ 192,166,632	\$ 74,113,479	\$ 118,053,153

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

D. Credit Risk, Continued

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2014, the ratings, as well as the percentage of credit risk expressed on a percentage basis, are as follows:

	Moody's	Standard & Poor's	Percentage
U.S. Government Treasuries	Aaa	AA	1.04%
U.S. Government Agencies			
Federal Farm Credit Bank	Aaa	AA	18.62%
Federal Home Loan Bank	Aaa	AA	26.25%
Federal Home Loan Mortgage Corporation	Aaa	AA	8.82%
Federal National Mortgage Association	Aaa	AA	7.79%
U.S. Treasury Money Market Funds			
Fidelity - Government Portfolio	Aaa	AA	9.63%
Medium Term Notes			
General Electric Corporation	Aa	AA	1.05%

Concentration of Credit Risk – The City's Policy has the same maturity limits as the California Government Code. The City is allowed to purchase mutual funds up to 20% of the value of the portfolio. There are no specified maximum percentages for U.S. Treasury Obligations, U.S. Agencies, and the external investment pool (State of California – Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

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

<u>U.S. Agencies</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 35,772,910	18.62%
Federal Home Loan Bank	50,434,295	26.25%
Federal Home Loan Mortgage Corporation	16,946,150	8.82%
Federal National Mortgage Association	14,975,743	7.79%
	<u>\$ 118,129,098</u>	<u>61.48%</u>

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, Continued

E. External Investment Pool

As of June 30, 2014, the City had \$50,547,096 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, 2014, 53.82% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

As of June 30 2014, 1.86% 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 1.00029875 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.

3. NOTES RECEIVABLE

The following table summarizes the notes receivable outstanding as of June 30, 2014, 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	\$ 3,581,062
Revolving Home Loans - Individuals	656,345
Senior Housing Projects - Developers	423,209
Nonprofit Public Benefit Corporation	65,000
HOME Grant Program Loans	1,358,906
CDBG Program Loans	546,377
Tri-Valley Housing Opportunity Center Loan	51,667
In-Lieu Parking Fee Loans	105,000
Sewer Connection Fee Loans	218,082
Happy Valley Infrastructure Loans	1,616
Total	<u>\$ 7,007,264</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. NOTES RECEIVABLE, Continued

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, 2014.

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, 2014 was \$105,000.

Sewer Loans – Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. In 1997 the City expanded the loan program to restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2014 was \$218,082.

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 2013/14FY amounted to \$6,708. The amount outstanding as of June 30, 2014 was \$1,616.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. NOTES RECEIVABLE, Continued

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, 2014 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:

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. 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, 2014, was \$9,270. The principal amounts outstanding at June 30, 2014, 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, 2014, was \$1,487. The principal amounts outstanding at June 30, 2014, 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, 2014, was \$93,000.
- 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 2013/14FY, the City received loan repayments totaling \$183,763. The outstanding amount due to the City for these types of loans as of June 30, 2014 was \$656,345.
- MidPen Housing Corporation - In 2014, the City agreed to provide a predevelopment loan up to a maximum of \$2,800,000 to MidPen Housing Corporation for the predevelopment costs of Kottinger Place and Pleasanton Gardens senior housing projects. Interest accrues on the principal amount at 3% per annum. The term of the loan expires fifty-five years from the date of conversion to permanent financing. As of June 30, 2014, the City had disbursed \$423,209 to MidPen Housing Corporation. The principal and interest outstanding at June 30, 2014 were \$423,209 and \$4,942, respectively.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. NOTES RECEIVABLE, Continued

- BLP Partnership, Inc. – In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest-only payment of 10% (\$249,000) for 55 years or until the loan is paid in full. Annual payments 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 2013/14FY, BLP paid the City \$249,000 representing a portion of the accrued unpaid interest. As of June 30, 2014, the accrued unpaid interest in the allowance for doubtful accounts was \$1,372,399 and the principal amount outstanding was \$2,490,000.
- 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, 2014, was \$19,800. The principal amount outstanding for all three loans at June 30, 2014, 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, 2014, were \$498,812 and \$155,573, respectively. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by HOME funds as of June 30, 2014, were \$163,939 and \$14,809, respectively.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

4. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2014 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 2013/14FY, the most significant short-term cash flow assistance by the General Fund was the \$3,653,694 of assistance to the Miscellaneous Grants Fund. A majority of the assistance (\$3,432,984) was for the Dolores Bengtson Aquatic Center Deck and Mechanical Building Improvement Project. The East Bay Regional Park District Measure WW Park Bond Extension Grant will reimburse the City for these expenses upon completion of the project.

As of June 30, 2014, the General Fund provided \$3,653,694 to the Miscellaneous Grants Fund, \$709,921 to various non-major special revenue funds, and \$23,475 to the Transit Fund.

		Due From Other Funds	
		<u>General Fund</u>	
Due to Other Funds	Major Governmental Funds:		
	Miscellaneous Grants Fund	\$	3,653,694
	Non-major Governmental Funds:		
	Federal ISTEPA Program Fund		367,000
	Traffic Grants Fund		275,000
	HOME Program Fund		29,292
	HBPOA Maintenance District Fund		22,581
	Miscellaneous Operating Grants Fund		9,512
	Community Development Block Grant Fund		6,536
	Non-major Enterprise Funds:		
	Transit Fund		23,475
	Total	\$	<u>4,387,090</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 2013/14FY, \$848,742 of the advance was repaid, and the remaining \$4,610,266 will be repaid over the next five years.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

4. INTERFUND TRANSACTIONS, Continued

B. Transfers In/Out

The majority of transfers in 2013/14FY were to cover debt service, to provide operating subsidies to enterprise funds, and to contribute to the Parks Capital Improvement and PERS Rate Stabilization Funds.

- The General Fund transferred \$382,441 to the 2004 COPs Debt Service Fund to pay annual debt service for the 2004 Refunding Lease Certificates of Participation.
- The Golf Operations Fund transferred \$267,167 to the General Fund for loan repayments related to construction of the Callippe Golf Course.
- The General Fund transferred \$1,068,286 to enterprise funds to support low income and senior water and sewer discounts, senior transportation, storm and cemetery operations.
- The General Fund transferred \$1,000,000 to the Park Capital Improvement Program Fund to fund activities related to the development of the Bernal Community Park, Phase II Lighted Multi-Purpose Sports Fields.
- In addition, the General Fund transferred \$928,584 to the PERS Rate Stabilization Internal Service Fund.

Transfers in/out for the year ended June 30, 2014, were as follows:

		Transfers Out				Total
		Major Fund		Non-Major Governmental Funds	Internal Service Funds	
		General Fund	Golf Funds			
Transfers In	Major Fund:					
	General Fund	\$ -	\$ 267,167	\$ 205,409	\$ 574,000	\$ 1,046,576
	Sewer Enterprise Funds*	87,697			16,000	103,697
	Water Enterprise Funds*	207,314		4,795	33,000	245,109
	Golf Enterprise Funds			29		29
	Storm Drain Enterprise Funds	330,000				330,000
	Non-Major Governmental Funds	1,382,441		424,803		1,807,244
	Non-Major Enterprise Funds	443,275				443,275
	Internal Service Funds	928,584	80,000			1,008,584
	Total	\$ 3,379,311	\$ 347,167	\$ 635,036	\$ 623,000	\$ 4,984,514

* 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 G

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Governmental activities:					
Nondepreciable assets:					
Land	\$ 238,141,959	\$ 1,687,250	\$ -	\$ -	\$ 239,829,209
Right-of-ways	36,354,674	-	-	-	36,354,674
Public Art	318,893	31,930	-	300,413	651,236
Construction in progress	7,562,677	9,728,363	(164,233)	(7,338,892)	9,787,915
Total nondepreciable assets	<u>282,378,203</u>	<u>11,447,543</u>	<u>(164,233)</u>	<u>(7,038,479)</u>	<u>286,623,034</u>
Depreciable assets:					
Infrastructure	269,603,346	22,675	(1,294,136)	1,746,794	270,078,679
Accumulated depreciation	(155,778,469)	(7,282,111)	1,228,472	-	(161,832,108)
Buildings	74,281,412	-	-	3,747,443	78,028,855
Accumulated depreciation	(20,806,879)	(1,506,948)	-	-	(22,313,827)
Improvements other than buildings	56,060,032	-	-	495,986	56,556,018
Accumulated depreciation	(33,487,821)	(1,856,838)	-	-	(35,344,659)
Machinery and equipment	21,545,936	777,092	(625,800)	738,985	22,436,213
Accumulated depreciation	(14,443,185)	(1,647,418)	624,281	-	(15,466,322)
Vehicles	10,257,279	683,113	(214,809)	628,164	11,353,747
Accumulated depreciation	(8,413,636)	(489,628)	214,809	-	(8,688,455)
Net depreciable assets	<u>198,818,015</u>	<u>(11,300,063)</u>	<u>(67,183)</u>	<u>7,357,372</u>	<u>194,808,141</u>
Governmental activities capital assets, net	<u>\$ 481,196,218</u>	<u>\$ 147,480</u>	<u>\$ (231,416)</u>	<u>\$ 318,893</u>	<u>\$ 481,431,175</u>
Business-type activities:					
Nondepreciable assets:					
Land	\$ 14,352,140	\$ -	\$ -	\$ 160,200	\$ 14,512,340
Construction in progress:	5,435,858	815,397	-	(4,520,479)	1,730,776
Total nondepreciable assets	<u>19,787,998</u>	<u>815,397</u>	<u>-</u>	<u>(4,360,279)</u>	<u>16,243,116</u>
Depreciable assets:					
Infrastructure	258,709,133	1,203,981	(72,487)	552,228	260,392,855
Accumulated depreciation	(136,388,240)	(6,021,486)	72,487	-	(142,337,239)
Buildings	33,835,492	-	(34,886)	3,808,051	37,608,657
Accumulated depreciation	(14,091,729)	(872,944)	31,750	-	(14,932,923)
Improvements other than buildings	31,481,268	-	-	-	31,481,268
Accumulated depreciation	(12,314,384)	(1,563,946)	-	-	(13,878,330)
Machinery and equipment	14,388,117	-	(359,235)	-	14,028,882
Accumulated depreciation	(5,475,921)	(554,675)	213,716	-	(5,816,880)
Vehicles	620,862	-	-	-	620,862
Accumulated depreciation	(532,566)	(31,786)	-	-	(564,352)
Net depreciable assets	<u>170,232,032</u>	<u>(7,840,856)</u>	<u>(148,655)</u>	<u>4,360,279</u>	<u>166,602,800</u>
Business-type activities capital assets, net	<u>\$ 190,020,030</u>	<u>\$ (7,025,459)</u>	<u>\$ (148,655)</u>	<u>\$ -</u>	<u>\$ 182,845,916</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

5. CAPITAL ASSETS, Continued

A. Depreciation

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 162,475
Public safety	1,321,418
Community development	1,083,431
Operations services	8,685,159
Community activities	1,530,460
Total depreciation expense - governmental activities	<u>\$ 12,782,943</u>

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

Water	\$ 3,327,239
Sewer	2,861,846
Golf	1,666,893
Transit	34,278
Storm Drain	1,077,535
Housing Authority	77,045
Total depreciation expense - business type activities	<u>\$ 9,044,836</u>

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities:						
2004 Refunding Lease Certificates of Participation	\$ 750,000	\$ -	\$ (370,000)	\$ 380,000	\$ 380,000	\$ -
State CALHFA Help Program Note Payable	342,487	-	(342,487)	-	-	-
Note payable, County of Alameda	1,404,000	1,687,250	(1,030,417)	2,060,833	1,030,417	1,030,416
Emergency Medical Equipment Capital Lease*	82,728	-	(30,143)	52,585	20,690	31,895
Claims payable (Note 7)	6,604,361	2,825,443	(2,618,363)	6,811,441	2,198,461	4,612,980
Compensated absences (Note 8)	4,435,533	2,914,360	(3,061,960)	4,287,933	1,059,392	3,228,541
Total governmental activities	<u>\$ 13,619,109</u>	<u>\$ 7,427,053</u>	<u>\$ (7,453,370)</u>	<u>\$ 13,592,792</u>	<u>\$ 4,688,960</u>	<u>\$ 8,903,832</u>
Business-type Activities:						
2004 Sewer Revenue Refunding Bonds	\$ 355,000	\$ -	\$ (175,000)	\$ 180,000	\$ 180,000	\$ -
Golf Course Capital Lease	375,864	-	(129,549)	246,315	114,240	132,075
Total business-type activities	<u>\$ 730,864</u>	<u>\$ -</u>	<u>\$ (304,549)</u>	<u>\$ 426,315</u>	<u>\$ 294,240</u>	<u>\$ 132,075</u>

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

Long-term debt at June 30, 2014, consisted of the following:

Type of Indebtedness (Purpose)	Maturity (Fiscal Year)	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2014
Governmental Activities:					
2004 Refunding Lease Certificates of Participation	2014	3.250% - 3.400%	\$380	\$ 4,040,000	\$ 380,000
Note payable, County of Alameda	2016	Variable*	\$468	6,500,000	2,060,833
Total governmental activities					<u>\$ 2,440,833</u>

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

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. The final payment is September 1, 2014. These certificates are obligated to be repaid from the City's general fund or any source of funds legally available.

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2014:

June 30,	Certificates of Participation	
	Principal	Interest
2015	\$ 380,000	\$ 6,460

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 assisted 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%. The City prepaid the note balance of \$342,487 during the 2013/14FY from the Lower Income Housing Fund and realized an interest savings of approximately \$46,800.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

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, fifth, and sixth installments, which were paid in August 2011, July 2012, July 2013, and July 2014, as well as the remaining installment bears interest at the Local Agency Investment Fund (LAIF) rate prevailing on the payment date. The purchase of a portion of the Northern Property was contingent upon the remedial cleanup action of a recognized environmental condition on the property. On September 30, 2013, the City purchased the uncontaminated segments of the 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.

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2014:

Alameda County Transportation Corridor
Purchase Agreement

Year Ending June 30,	Principal	Coupon	Estimated Interest*	Total Payment	Balance
2015	\$ 1,030,417	0.24%	\$ 4,946	\$ 1,035,363	\$ 2,060,833
2016	1,030,416	0.24%	2,473	1,032,889	1,030,416
Total	<u>\$ 2,060,833</u>		<u>\$ 7,419</u>	<u>\$ 2,068,252</u>	

*Interest accrues at the LAIF rate prevailing on the payment due date. The June 30, 2014 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 \$25,166 as of June 30, 2014. 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

Emergency Medical Equipment Capital Lease, Continued

The following schedule presents future minimum lease payments for emergency medical equipment capital lease as of June 30, 2014:

	2014/15	2015/16	2016/17	Total
Minimum Lease Payments	\$ 21,674	\$ 21,674	\$ 10,837	\$ 54,185
Less: Interest				(1,600)
Present Value of Minimum Lease Payment				<u>\$ 52,585</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.

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, 2014, the ratio of Net Sewer Revenues to the debt service payments due during 2013/14FY was 9.88:1.

The following schedule illustrates the debt service requirements to maturity on September 1, 2014, for business-type activities as of June 30, 2014:

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2015	<u>\$ 180,000</u>	<u>\$ 3,150</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 \$350,144. Accumulated depreciation of the leased equipment was \$170,904 as of June 30, 2014. 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 \$115,156 as of June 30, 2014. 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

Golf Course Capital Leases, Continued

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.

The following schedules present future minimum lease payments for equipment at Callippe Golf Course as of June 30, 2014:

Lease Date: January 24, 2011	<u>2014/15</u>	<u>2015/16</u>	<u>Total</u>	
Minimum Lease Payments	\$ 55,807	\$ 55,807	\$ 111,614	
Less: Interest			(2,250)	
Present Value of Minimum Lease Payments			<u>\$ 109,364</u>	
Lease Date: September 30, 2011	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>Total</u>
Minimum Lease Payments	\$ 62,549	\$ 62,549	\$ 15,637	\$ 140,735
Less: Interest				(3,784)
Present Value of Minimum Lease Payments				<u>\$ 136,951</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 under these operating lease agreements for the fiscal year ended June 30, 2014, amounted to approximately \$135,754.

The future minimum lease payments anticipated under the existing lease commitments in governmental activities, as of June 30, 2014, are as follows:

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Total</u>
General Fund	\$ 110,484	\$ 89,429	\$ 92,717	\$ 47,356	\$ 339,986
Total Governmental Activities	<u>\$ 110,484</u>	<u>\$ 89,429</u>	<u>\$ 92,717</u>	<u>\$ 47,356</u>	<u>\$ 339,986</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, 2014 amounted to \$125,969.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

Operating Leases, Continued

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2014, are as follows:

	2014/15	2015/16	2016/17	2017/18	Total
Golf Fund	\$ 95,521	\$ 63,086	\$ 1,776	\$ 1,628	\$ 162,011
Total Business-type Activities	<u>\$ 95,521</u>	<u>\$ 63,086</u>	<u>\$ 1,776</u>	<u>\$ 1,628</u>	<u>\$ 162,011</u>

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, 2014, \$175,000 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	Principal	Interest	Total
June 30, 2015	<u>\$ 175,000</u>	<u>\$ 3,062</u>	<u>\$ 178,062</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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM LIABILITIES, Continued

Conduit Debt, Continued

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, 2014, was \$44,820,044.

Legal Debt Limit

As of June 30, 2014, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$699,830,394.

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, 2014.

As of June 30, 2014, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to third party personal injuries and/or damage to property, employment practices liability, workers compensation claims and damage to or destruction of City property and vehicles. The City has a self retained limit for these various risks 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

7. RISK MANAGEMENT, Continued

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

Coverage	Self - insured 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 Benefits Fund. Both funds are classified as Internal Service Funds.

The Workers' Compensation Program makes payments needed to pay prior and current-year claims and to establish a reserve for future losses. The net position of the Workers' Compensation Program at June 30, 2014, had a negative balance of \$342,078, reflecting an increase in claims liability from the prior year. The claims liability of \$6,299,168 is reported as claims payable as of June 30, 2014. 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, 2014, reserves of \$5,716,779 are reported in net position and claims liabilities of \$512,273 are reported as claims payable.

The Workers' 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,	
	2013	2014
Unpaid claims, beginning of year	\$ 4,864,826	\$ 6,604,361
Incurred claims and changes in estimates	3,458,923	2,825,443
Claim payments	(1,719,388)	(2,618,363)
Unpaid claims, end of year	\$ 6,604,361	\$ 6,811,441

8. 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, 2014, accrued vacation and other compensated leaves amounted to \$4,287,933.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

9. 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.

Bay Cities Joint Powers Insurance Authority

The City is a member of Bay Cities Joint Powers Insurance Authority (Bay Cities). Bay Cities was created in 1986 to develop effective risk management programs to reduce the amount and frequency of losses; to provide for pooled self-insurance among member agencies and to jointly purchase and provide administrative and other services including, but not limited to claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program. Bay Cities consists of 14 cities, three towns and one police authority all located within the metropolitan Bay Area.

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.

The following is an excerpt from the Bay Cities audited financial statements for the year ended June 30, 2014:

Total Assets	\$ 29,597,416
Total Liabilities	19,205,340
Total Equity	<u>\$ 10,392,076</u>
Total Revenue	\$ 12,269,245
Total Expenses	<u>10,567,405</u>
Revenue over Expenses	<u>\$ 1,701,840</u>

Pleasanton Joint Powers Financing Authority

In June 1993, the Pleasanton Joint Powers Financing Authority (PJFPA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJFPA has facilitated lease financings (through the issuance of Certificates of Participation) for many of the City's public buildings, although no PJFPA debt obligations remained outstanding in the 2013/14FY. The PJFPA is a blended component unit of the City and the financial operations of the PJFPA are included in the City of Pleasanton's financial statements.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

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

Local Agency Workers' Compensation Excess Joint Powers Authority

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

Livermore-Amador Valley Waste Management Agency

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, the City of Livermore, and the City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

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 Gain(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 \$10,425,330 as of June 30, 2014. Financial statements for LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

The following is an excerpt from the LAVWMA audited financial statements for the year ended June 30, 2014:

Total Assets	\$ 144,202,447
Total Liabilities	113,063,245
Total Equity	<u>\$ 31,139,202</u> *
Total Revenue	\$ 11,369,302
Total Expenses	11,302,245
Revenue over Expenses	<u>\$ 67,057</u>

* City's equity interest was \$10,425,330 as of June 30, 2014.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

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

Tri-Valley Transportation Council

The Tri-Valley Transportation Council (TVTC) was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements for TVTC may be obtained from the City of San Ramon, 2226 Camino Ramon, San Ramon, CA 94583.

Livermore-Pleasanton Fire Department

On December 3, 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPFD), covering both cities. LPFD may not own or enter into a contract without the approval of the governing board. The LPFD budget includes the contributions required from each City to fund operating and capital needs for the year. For the fiscal year ending June 30, 2014, the City of Pleasanton's contribution was \$14,795,326 and the City of Livermore's was \$13,733,507. The City of Pleasanton's share of revenues and expenditures is reported in the General Fund. No separate financial statements are prepared for the JPA.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

10. NET POSITION/ FUND BALANCES

A. Net Position

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.

Unrestricted Net Position

This category represents the net position of the City, not restricted for any project or other purpose.

B. Fund Balance

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, 2014

10. NET POSITION/ FUND BALANCES, Continued

B. Fund Balance, Continued

As of June 30, 2014, fund balances are composed of the following:

	General Fund	Lower Income Housing Fund	Miscellaneous Grant Fund	Other Funds
Nonspendable				
Notes Receivable	\$ 218,082	\$ -	\$ -	\$ -
Restricted				
Assessment District Construction	-	-		1,940,430
Asset Forfeiture	-	-		40,882
Budgeted Developer Projects	-	-		7,905,352
Community Access Television	-	-		471,424
Debt Service Reserves	-	-		388,514
Donations	-	-		232,583
Downtown & North Pleasanton	-	-		3,986,044
Geological Hazard Assessmt District	-	-		893,789
Grants	-	-		143,044
Housing	-	16,495,305		-
Landscape and Lighting District	-	-		377,545
Landscape Maintenance NPID	-	-		1,115,395
Marilyn Kane Trail Reserve	-	-		105,766
Other Purposes	-	-		10,000
Park Development	-	-		5,638,787
Public Facilities Capital Improvements	-	-		3,446,670
Public Safety	-	-		270,434
Resource Management	-	-		795,615
Street Maintenance	-	-		6,340,584
Traffic Impact	-	-		2,832,255
Traffic Impact - Bernal	-	-		4,881,423
Tri-Valley Transportation	-	-		433,995
Various Specific Plan	-	-		797,118
Committed				
Economic Uncertainty	9,650,614	-		-
Assigned				
Capital Projects	-	-		19,837,709
Other Purposes	-	-		34,531
Unassigned	5,136,347	-	(732,151)	-
Total Fund Balances	\$ 15,005,043	\$ 16,495,305	\$ (732,151)	\$ 62,919,889

C. Deficit Fund Balances and Deficit Net Position

At June 30, 2014, the following funds had a deficit fund balance or deficit net position:

- Miscellaneous Grants Fund - \$732,151
- Employee Benefits Internal Service Fund - \$4,963,138

The Miscellaneous Grants Fund concluded 2013/14FY with a deficit fund balance of \$732,151. This amount will be eliminated through grant drawdowns to reimburse for allowable expenses.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

10. NET POSITION/ FUND BALANCES, Continued

C. Deficit Fund Balances and Deficit Net Position, Continued

The Employee Benefits Internal Service Fund finished 2013/14FY with a net position deficit of \$4,963,138 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit consists primarily of \$4,610,266 balance remaining on an advance from the Retirees Insurance Reserve fund to payoff the PERS Police Retirement Group side fund, and \$352,872 reflects an increase in the worker's compensation claims liability. This portion of the Employee Benefits Fund deficit, as well as the advance from the Retirees Insurance Reserve Fund, is being eliminated through annual payments from the General Fund over an eight year period beginning in the 2011/12FY. The annual payment from the General Fund for the 2013/14FY was \$848,742.

11. DEFINED BENEFIT PENSION PLAN

A. California Public Employees' Retirement Plan (PERS)

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS). The miscellaneous and fire employees of the City are part of an agent multiple-employer defined benefit pension plan. The police employees are part of a cost-sharing multiple-employer defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from 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 2013/14FY, the City paid a portion of the required member contributions on behalf of City employees, amounting to \$182,115 for the year ended June 30, 2014. As of December 7, 2013, 100% of the required member contributions are paid by City employees. The City continues to pay the required member contribution for City Council Member who participate in PERS.

The City's employer required contribution rate for Safety Fire employees was 35.559% and for Safety Police employees was 26.149% for the fiscal year. On December 13, 2013, the City paid \$1,000,000 to PERS as a lump-sum payment to reduce the unfunded liability for Miscellaneous employees. The City's employer required contribution rate for Miscellaneous employees was 24.013%.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

11. DEFINED BENEFIT PENSION PLAN, Continued

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

Annual Pension Cost – For the 2013/14FY, the City's annual pension cost of \$12,920,616 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, 2011, actuarial valuation to determine the 2013/14FY ARC, as well as the most current valuation, are summarized in the following table.

	<u>Actuarial Valuation Date</u>	
	<u>6/30/2011</u>	<u>6/30/2013</u>
Actuarial Cost Method	Entry age normal	
Amortization Method	Level percent of payroll	
Asset Valuation Method	15-year smoothing	Market Value
Investment Return	7.75%	7.50%
Payroll Growth	3.25%	3.00%
Inflation Rate	3.00%	2.75%
Projected Salary Increases*		
Fire	3.55%-10.75%	3.30%-14.20%
Police	3.55%-11.15%	3.30%-14.20%
Miscellaneous	3.55%-14.45%	3.30%-14.20%
Average Remaining UAAL Amortization Period		
Fire	29 years	N/A
Police	20 years	N/A
Miscellaneous	27 years	N/A
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 2015/16FY 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, 2014

11. 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

Miscellaneous Plan			
<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2012	\$ 5,081,003	100%	\$ -
6/30/2013	5,128,894	100%	-
6/30/2014	5,871,030	100%	-

Safety Police Plan			
<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2012	\$ 2,415,576	100%	\$ -
6/30/2013	2,367,064	100%	-
6/30/2014	2,518,181	100%	-

Safety Fire Plan⁽¹⁾			
<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2012	\$ 4,267,350	100%	\$ -
6/30/2013	4,274,397	100%	-
6/30/2014	4,531,405	100%	-

⁽¹⁾ 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, 2014

12. 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, 2014

12. 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, 2013 (the most recent valuation date), plan membership consisted of 488 active participants, consisting of 371 Non-Fire (Miscellaneous and Police) and 117 Fire active participants, and 283 retirees, consisting of 210 Non-Fire and 73 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.

The following table summarizes the City’s 2013/14FY contribution:

	Non-Fire	Fire ⁽¹⁾	Total
Contributions to OPEB Trust	\$ 4,018,364	\$ 1,584,217	\$ 5,602,581
Benefit to retirees	2,327,749	881,063	3,208,812
Legal and actuarial services	19,860	8,724	28,584
Implied subsidy	623,000	233,000	856,000
Total	<u>\$ 6,988,973</u>	<u>\$ 2,707,004</u>	<u>\$ 9,695,977</u>

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

The City’s ARC was \$9,695,977 (\$6,988,973 for Non-Fire and \$2,707,004 for Fire) for the 2013/14FY (See Note 12 C. below)

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

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 2013/14FY, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	Non-Fire	Fire⁽¹⁾	Total
Annual required contribution	\$ 6,988,000	\$ 2,707,000	\$ 9,695,000
Adjustment to annual required contribution ⁽²⁾	973	4	977
Annual OPEB cost (expense)	6,988,973	2,707,004	9,695,977
Contributions to OPEB trust	(4,018,364)	(1,584,217)	(5,602,581)
Benefit payments to retirees	(2,327,749)	(881,063)	(3,208,812)
Legal and actuarial services	(19,860)	(8,724)	(28,584)
Implied subsidy	(623,000)	(233,000)	(856,000)
Increase in net OPEB obligation	-	-	-
Net OPEB obligation - beginning of year	-	-	-
Net OPEB obligation - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

⁽²⁾ Adjustment reflects year-end retiree health premium write-offs.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2011/12 through 2013/14 are as follows:

Non-Fire			
Fiscal Year	Annual OPEB	Percentage of	Net OPEB
Ended	Cost	Annual OPEB Cost Contributed	Obligation
June 30, 2012	6,043,037	100%	-
June 30, 2013	6,768,135	100%	-
June 30, 2014	6,988,973	100%	-
Fire⁽¹⁾			
Fiscal Year	Annual OPEB	Percentage of	Net OPEB
Ended	Cost	Annual OPEB Cost Contributed	Obligation
June 30, 2012	2,374,147	100%	-
June 30, 2013	2,622,052	100%	-
June 30, 2014	2,707,004	100%	-

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Annual OPEB Cost and Net OPEB Obligation, Continued

Funded Status and Funding Progress. The June 30, 2011 actuarial valuation was used to develop the 2013/14FY ARC. The funded status of the plan as of June 30, 2014 was:

	<u>Non-Fire</u>	<u>Fire⁽¹⁾</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$ 74,631,000	\$ 32,064,000	\$ 106,695,000
Actuarial value of plan assets	19,361,000	8,696,000	28,057,000
Unfunded actuarial accrued liability (UAAL)	<u>\$ 55,270,000</u>	<u>\$ 23,368,000</u>	<u>\$ 78,638,000</u>
Funded ratio (actuarial value of plan assets/AAL)	25.9%	27.1%	26.3%
Projected covered payroll (active Plan members)	\$ 40,252,000	\$ 17,121,000	\$ 57,373,000
UAAL as a percentage of covered payroll	137.3%	136.5%	137.1%

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

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

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 2013/14FY 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 8.5% for HMO and PPO plans for 2014 decreasing to 5.0% for HMO and PPO plans after 7 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, 2014, the actuarial value of assets was \$19,361,000 for Non-Fire and \$8,696,000 for Fire.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

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 net position; 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 net position for the reserves reflects the amounts that are being accumulated for the purpose of paying retiree medical benefits.

	Retiree Medical Reserves		
	Retirees Insurance Reserve	LPFD Reserve(1)	Total
June 30, 2013 Net Position	\$ 24,906,953	\$ 5,638,307	\$ 30,545,260
2013/14FY Contributions from operating funds	6,987,988	973,110	7,961,098
2013/14FY Interest Income	278,628	75,293	353,921
2013/14FY Contributions to OPEB Trust	(4,018,364)	(1,584,217)	(5,602,581)
Benefit payments to retirees(2)	(2,327,749)	(881,063)	(3,208,812)
Legal and actuarial services	(19,860)	(8,724)	(28,584)
Transfer out of implied subsidy to operating funds	(623,000)	-	(623,000)
June 30, 2014 Net Position	<u>\$ 25,184,596</u>	<u>\$ 4,212,706</u>	<u>\$ 29,397,302</u>

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

⁽²⁾ Does not include an implicit rate subsidy of \$856,000.

13. COMMITMENTS AND CONTINGENCIES

A. Animal Shelter

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during fiscal year 1996. The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) entered into an agreement under which the County constructed the animal shelter on County property. The cities pay their prorata share of the debt service and operating costs based on their usage of the animal shelter. The City's share of the 2013/14FY debt service and operating costs for the facility was \$177,251.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2014

13. COMMITMENTS AND CONTINGENCIES, Continued

C. 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 \$105,345,000 of the 2011 Sewer Revenue Refunding Bonds (2011 Bonds) on September 28, 2011 to refinance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project originally constructed with bonds issued in 2001. The 2011 Bonds are secured by the pledge of the net revenues of the Agency.

D. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2014. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amount
Annual Streets Resurfacing and Reconstruction	\$ 2,639,321
Redevelopment of Kottinger Place and Pleasanton Gardens Improvements	2,376,791
Interstate 580 at Foothill Road Interchange Improvements	2,040,629
Interstate 680 at Bernal Interchange Improvements	1,702,338
Led Street Light Retrofit	513,393
Total	\$ 9,272,472

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REQUIRED SUPPLEMENTARY INFORMATION

City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2014

1. BUDGETARY INFORMATION

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

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2014

2. BUDGETARY COMPARISON SCHEDULES

Budgetary Comparison Schedule – General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 77,055,000	\$ 78,825,000	\$ 80,036,078	\$ 1,211,078
Licenses	11,020	11,020	9,864	(1,156)
Permits	2,116,835	2,260,135	1,809,142	(450,993)
Fines and forfeitures	593,500	604,500	528,070	(76,430)
Use of money and property	245,000	185,000	289,333	104,333
Intergovernmental	507,300	490,500	683,360	192,860
Franchises	2,285,000	2,300,000	2,371,125	71,125
Charges for services	988,100	942,100	971,566	29,466
Development fees	361,165	533,865	524,988	(8,877)
Plan check fees	1,580,000	1,560,000	2,124,937	564,937
Reimbursements	549,570	688,742	1,111,492	422,750
Contribution and donations	23,050	10,700	10,101	(599)
Other revenues	2,494,639	2,491,139	2,349,254	(141,885)
Recreation charges	3,604,500	3,469,250	3,772,872	303,622
Total revenues	<u>92,414,679</u>	<u>94,371,951</u>	<u>96,592,182</u>	<u>2,220,231</u>
EXPENDITURES:				
Current:				
General government	12,439,535	12,980,027	11,773,367	1,206,660
Public safety	39,935,833	41,494,178	41,449,544	44,634
Community development	11,611,961	12,177,186	12,030,503	146,683
Operations service	15,195,553	16,343,239	15,454,677	888,562
Community activities	11,050,414	11,075,545	10,924,926	150,619
Capital outlay	591,316	580,516	508,814	71,702
Debt service:				
Principal	30,143	30,143	30,143	-
Interest, fiscal charges	1,432	1,432	1,432	-
Total expenditures	<u>90,856,187</u>	<u>94,682,266</u>	<u>92,173,406</u>	<u>2,508,860</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,558,492</u>	<u>(310,315)</u>	<u>4,418,776</u>	<u>4,729,091</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	899,954	879,954	1,046,575	166,621
Transfers out	<u>(2,458,446)</u>	<u>(3,392,030)</u>	<u>(3,379,311)</u>	<u>12,719</u>
Total other financing sources	<u>(1,558,492)</u>	<u>(2,512,076)</u>	<u>(2,332,736)</u>	<u>179,340</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (2,822,391)</u>	<u>2,086,040</u>	<u>\$ 4,908,431</u>
FUND BALANCES:				
Beginning of year			<u>12,919,003</u>	
End of year			<u>\$ 15,005,043</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2014

2. BUDGETARY COMPARISON SCHEDULES, Continued

Budgetary Comparison Schedule – Lower Income Housing Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 337,600	\$ 337,600	\$ 902,693	\$ 565,093
Development fees	360,600	360,600	245,745	(114,855)
Reimbursements	160,000	160,000	218,083	58,083
Total revenues	<u>858,200</u>	<u>858,200</u>	<u>1,366,521</u>	<u>508,321</u>
EXPENDITURES:				
Current:				
Community development	668,501	4,039,799	1,429,946	2,609,853
Capital outlay	-	7,200,000	-	7,200,000
Loan Payment:				
Principal	-	375,000	342,487	32,513
Total expenditures	<u>668,501</u>	<u>11,239,799</u>	<u>1,772,433</u>	<u>9,842,366</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>189,699</u>	<u>(10,381,599)</u>	<u>(405,912)</u>	<u>10,350,687</u>
Net change in fund balances	<u>\$ 189,699</u>	<u>\$(10,381,599)</u>	<u>(405,912)</u>	<u>\$ 10,350,687</u>
FUND BALANCES:				
Beginning of year			<u>16,901,217</u>	
End of year			<u>\$ 16,495,305</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2014

2. BUDGETARY COMPARISON SCHEDULES, Continued

Budgetary Comparison Schedule – Miscellaneous Grants Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,719,320	\$ 1,719,320	\$ 860,844	\$ (858,476)
Total revenues	<u>1,719,320</u>	<u>1,719,320</u>	<u>860,844</u>	<u>(858,476)</u>
EXPENDITURES:				
Current:				
Community development			-	-
Capital outlay	1,719,320	1,719,320	1,592,995	126,325
Total expenditures	<u>1,719,320</u>	<u>1,719,320</u>	<u>1,592,995</u>	<u>126,325</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(732,151)</u>	<u>(732,151)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(732,151)</u>	<u>\$ (732,151)</u>
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ (732,151)</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2014

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

Schedule of Funding Progress
Pension Benefits

Fire Safety⁽¹⁾

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
6/30/2011	\$ 120,731,102	\$ 160,306,074	\$ 39,574,972	75.3%	\$ 12,791,811	309.4%
6/30/2012 ⁽²⁾	124,953,092	166,004,156	41,051,064	75.3%	12,958,083	316.8%
6/30/2013 ⁽³⁾	114,261,726	172,976,140	58,714,414	66.1%	13,149,191	446.5%

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
6/30/2011	\$ 134,729,657	\$ 191,897,126	\$ 57,167,469	70.2%	\$ 24,897,180	229.6%
6/30/2012 ⁽²⁾	142,079,232	201,079,153	58,999,921	70.7%	23,951,266	246.3%
6/30/2013 ⁽³⁾	134,837,841	207,338,728	72,500,887	65.0%	24,021,460	301.8%

- (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, 2012, 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.
- (3) Market value of assets.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2014

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

**Schedule of Funding Progress
Other Postemployment Benefits⁽¹⁾**

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)
6/30/2010	\$ 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%
6/30/2013	19,361,000	74,631,000	55,270,000	25.9%	40,252,000	137.3%

Fire⁽²⁾

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)
6/30/2010	\$ 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%
6/30/2013	8,696,000	32,064,000	23,368,000	27.1%	17,121,000	136.5%

- (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.
- (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, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 10,212,708	\$ -	\$ 54,055,787	\$ 64,268,495
Receivables:				
Accounts	638,050	-	186,150	824,200
Grants	688,762	-	-	688,762
Interest	205,858	-	74,469	280,327
Restricted cash and investments	-	388,515	-	388,515
Notes receivable	2,011,900	-	-	2,011,900
Total assets	<u>13,757,278</u>	<u>388,515</u>	<u>54,316,406</u>	<u>68,462,199</u>
DEFERRED OUTFLOWS OF RESOURCES				
	24,480	-	-	24,480
Total assets and deferred outflows of resources	<u>\$ 13,781,758</u>	<u>\$ 388,515</u>	<u>\$ 54,316,406</u>	<u>\$ 68,486,679</u>
LIABILITIES				
Accounts payable	\$ 312,763	\$ -	\$ 2,208,679	\$ 2,521,442
Due to other funds	709,921	-	-	709,921
Deposits	-	-	89,667	89,667
Unearned revenue	43,677	-	-	43,677
Total liabilities	<u>1,066,361</u>	<u>-</u>	<u>2,298,346</u>	<u>3,364,707</u>
DEFERRED INFLOWS OF RESOURCES				
	2,202,083	-	-	2,202,083
FUND BALANCES				
Restricted	10,478,782	388,515	32,180,352	43,047,649
Assigned	34,532	-	19,837,708	19,872,240
Total fund balances	<u>10,513,314</u>	<u>388,515</u>	<u>52,018,060</u>	<u>62,919,889</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,781,758</u>	<u>\$ 388,515</u>	<u>\$ 54,316,406</u>	<u>\$ 68,486,679</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Special assessments	\$ 204,912	\$ -	\$ -	\$ 204,912
Taxes	-	-	5,670	5,670
Use of money and property	146,315	63	663,903	810,281
Intergovernmental	4,119,968	-	1,184	4,121,152
Charges for service	31,983	-	-	31,983
Development fees	173,591	-	7,615,195	7,788,786
Reimbursements	81,946	-	348,305	430,251
Contributions and donations	120,737	-	416,804	537,541
Other revenues	486,641	-	149,415	636,056
Total revenues	5,366,093	63	9,200,476	14,566,632
EXPENDITURES:				
Current:				
Public safety	178,012	-	1,184	179,196
Community development	293,747	-	7,397	301,144
Operations services	388,648	-	60,820	449,468
Community activities	94,424	-	18,049	112,473
Capital outlay	3,320,661	-	7,088,212	10,408,873
Debt service:				
Principal	-	370,000	1,030,417	1,400,417
Interest	-	18,932	8,971	27,903
Total expenditures	4,275,492	388,932	8,215,050	12,879,474
REVENUES OVER (UNDER) EXPENDITURES	1,090,601	(388,869)	985,426	1,687,158
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	1,687,250	1,687,250
Transfers in	-	382,441	1,424,803	1,807,244
Transfers out	(210,204)	(29)	(424,803)	(635,036)
Total other financing sources (uses)	(210,204)	382,412	2,687,250	2,859,458
Net change in fund balances	880,397	(6,457)	3,672,676	4,546,616
FUND BALANCES:				
Beginning of year	9,632,917	394,972	48,345,384	58,373,273
End of year	<u>\$ 10,513,314</u>	<u>\$ 388,515</u>	<u>\$ 52,018,060</u>	<u>\$ 62,919,889</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.

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 Operating Grants

This fund includes various grant revenues received for 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.

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, 2014**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
ASSETS					
Cash and investments	\$ 22,315	\$ 35,238	\$ 17,802	\$ 796,854	\$ 110,282
Receivables:					
Accounts	-	5,614	-	69,466	-
Grants	-	-	-	-	-
Interest	35	30	27	1,218	183
Notes receivable	-	-	105,000	-	-
Total assets	<u>22,350</u>	<u>40,882</u>	<u>122,829</u>	<u>867,538</u>	<u>110,465</u>
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 22,350</u>	<u>\$ 40,882</u>	<u>\$ 122,829</u>	<u>\$ 867,538</u>	<u>\$ 110,465</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 71,923	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,923</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
	-	-	105,000	-	-
FUND BALANCES					
Restricted	22,350	40,882	-	795,615	110,465
Assigned	-	-	17,829	-	-
Total fund balances	<u>22,350</u>	<u>40,882</u>	<u>17,829</u>	<u>795,615</u>	<u>110,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,350</u>	<u>\$ 40,882</u>	<u>\$ 122,829</u>	<u>\$ 867,538</u>	<u>\$ 110,465</u>

Landscape and Lighting Districts	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 385,129	\$ 898,958	\$ 1,689,794	\$ 4,264,775	\$ -	\$ -	\$ 239,823	\$ 68,011
2,133	871	151,275	216,385	-	-	7,855	-
-	-	-	-	17,758	-	-	-
573	1,360	2,934	6,020	34,609	-	407	151
-	-	-	-	1,358,906	-	-	-
<u>387,835</u>	<u>901,189</u>	<u>1,844,003</u>	<u>4,487,180</u>	<u>1,411,273</u>	<u>-</u>	<u>248,085</u>	<u>68,162</u>
-	-	-	-	24,480	-	-	-
<u>\$ 387,835</u>	<u>\$ 901,189</u>	<u>\$ 1,844,003</u>	<u>\$ 4,487,180</u>	<u>\$ 1,435,753</u>	<u>\$ -</u>	<u>\$ 248,085</u>	<u>\$ 68,162</u>
\$ 10,292	\$ 7,400	\$ 157,905	\$ 7,298	\$ 12,945	\$ -	\$ -	\$ 1,185
-	-	-	-	29,292	-	-	-
-	-	-	-	-	-	-	-
<u>10,292</u>	<u>7,400</u>	<u>157,905</u>	<u>7,298</u>	<u>42,237</u>	<u>-</u>	<u>-</u>	<u>1,185</u>
-	-	-	-	1,393,516	-	-	-
377,543	893,789	1,686,098	4,479,882	-	-	248,085	66,977
-	-	-	-	-	-	-	-
<u>377,543</u>	<u>893,789</u>	<u>1,686,098</u>	<u>4,479,882</u>	<u>-</u>	<u>-</u>	<u>248,085</u>	<u>66,977</u>
<u>\$ 387,835</u>	<u>\$ 901,189</u>	<u>\$ 1,844,003</u>	<u>\$ 4,487,180</u>	<u>\$ 1,435,753</u>	<u>\$ -</u>	<u>\$ 248,085</u>	<u>\$ 68,162</u>

City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2014

	Library Trust Fund	Miscellaneous Operating Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
ASSETS					
Cash and investments	\$ 55,059	181,858	\$ -	\$ -	\$ -
Receivables:					
Accounts	-	18,629	39,410	-	-
Grants	-	-	-	29,004	275,000
Interest	83	264	-	155,573	-
Notes receivable	-	-	-	546,378	-
Total assets	<u>55,142</u>	<u>200,751</u>	<u>39,410</u>	<u>730,955</u>	<u>275,000</u>
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 55,142</u>	<u>\$ 200,751</u>	<u>\$ 39,410</u>	<u>\$ 730,955</u>	<u>\$ 275,000</u>
LIABILITIES					
Accounts payable	\$ -	\$ 18,719	\$ 16,829	\$ 8,267	\$ -
Due to other funds	-	9,512	22,581	6,536	275,000
Unearned revenue	-	29,476	-	14,201	-
Total liabilities	<u>-</u>	<u>57,707</u>	<u>39,410</u>	<u>29,004</u>	<u>275,000</u>
DEFERRED INFLOWS OF RESOURCES					
	-	-	-	701,951	-
FUND BALANCES					
Restricted	55,142	143,044	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>55,142</u>	<u>143,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,142</u>	<u>\$ 200,751</u>	<u>\$ 39,410</u>	<u>\$ 730,955</u>	<u>\$ 275,000</u>

Downtown Economic Loan	Federal ISTEA Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ 26,663	\$ -	\$ 410,083	\$ 105,607	794,585	\$ 109,872	\$ 10,212,708
-	-	60,752	-	1,118	64,542	638,050
-	367,000	-	-	-	-	688,762
40	-	588	159	1,416	188	205,858
-	-	-	-	1,616	-	2,011,900
<u>26,703</u>	<u>367,000</u>	<u>471,423</u>	<u>105,766</u>	<u>798,735</u>	<u>174,602</u>	<u>13,757,278</u>
-	-	-	-	-	-	24,480
<u>\$ 26,703</u>	<u>\$ 367,000</u>	<u>\$ 471,423</u>	<u>\$ 105,766</u>	<u>\$ 798,735</u>	<u>\$ 174,602</u>	<u>\$ 13,781,758</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,763
-	367,000	-	-	-	-	709,921
-	-	-	-	-	-	43,677
-	367,000	-	-	-	-	1,066,361
-	-	-	-	1,616	-	2,202,083
10,000	-	471,423	105,766	797,119	174,602	10,478,782
16,703	-	-	-	-	-	34,532
<u>26,703</u>	<u>-</u>	<u>471,423</u>	<u>105,766</u>	<u>797,119</u>	<u>174,602</u>	<u>10,513,314</u>
<u>\$ 26,703</u>	<u>\$ 367,000</u>	<u>\$ 471,423</u>	<u>\$ 105,766</u>	<u>\$ 798,735</u>	<u>\$ 174,602</u>	<u>\$ 13,781,758</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the year ended June 30, 2014

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	400	288	91	11,366	1,847
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	-	-
Reimbursements	-	-	-	-	-
Contributions and donations	2,000	-	17,728	-	13,984
Development fees	-	-	-	-	-
Other	-	5,615	-	216,432	5,493
Total revenues	2,400	5,903	17,819	227,798	21,324
EXPENDITURES:					
Current:					
Public safety	1,500	-	-	-	-
Community development	-	-	-	-	-
Operations services	-	-	-	192,322	-
Community activities	-	-	-	-	19,721
Capital outlay	3,320	-	-	2,643	31,930
Total expenditures	4,820	-	-	194,965	51,651
REVENUES OVER (UNDER) EXPENDITURES	(2,420)	5,903	17,819	32,833	(30,327)
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(2,420)	5,903	17,819	32,833	(30,327)
FUND BALANCES:					
Beginning of year	24,770	34,979	10	762,782	140,792
End of year	\$ 22,350	\$ 40,882	\$ 17,829	\$ 795,615	\$ 110,465

Landscape and Lighting Districts	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 131,436	\$ 73,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,313	12,574	31,276	40,546	-	-	3,966	654
-	-	936,318	2,252,237	56,007	96,147	-	-
-	-	-	-	-	-	30,983	1,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	76,000
-	-	-	-	-	-	-	-
11,675	1,147	-	-	-	-	-	-
<u>148,424</u>	<u>87,197</u>	<u>967,594</u>	<u>2,292,783</u>	<u>56,007</u>	<u>96,147</u>	<u>34,949</u>	<u>77,654</u>
-	-	-	-	-	-	30,983	-
-	23,853	34,452	7,500	56,007	-	-	-
102,452	-	-	-	-	-	-	11,928
-	-	-	-	-	-	-	-
-	-	1,536,945	185,110	-	96,147	-	-
<u>102,452</u>	<u>23,853</u>	<u>1,571,397</u>	<u>192,610</u>	<u>56,007</u>	<u>96,147</u>	<u>30,983</u>	<u>11,928</u>
45,972	63,344	(603,803)	2,100,173	-	-	3,966	65,726
-	-	-	-	-	-	-	(31,227)
-	-	-	-	-	-	-	(31,227)
<u>45,972</u>	<u>63,344</u>	<u>(603,803)</u>	<u>2,100,173</u>	<u>-</u>	<u>-</u>	<u>3,966</u>	<u>34,499</u>
331,571	830,445	2,289,901	2,379,709	-	-	244,119	32,478
<u>\$ 377,543</u>	<u>\$ 893,789</u>	<u>\$ 1,686,098</u>	<u>\$ 4,479,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,085</u>	<u>\$ 66,977</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, 2014

	Library Trust Fund	Miscellaneous Operating Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	667	2,275	-	-	-
Intergovernmental	-	247,364	-	171,935	-
Charges for service	-	-	-	-	-
Reimbursements	-	-	81,946	-	-
Contributions and donations	11,025	-	-	-	-
Development fees	-	-	-	-	-
Other	-	8,630	-	-	-
Total revenues	11,692	258,269	81,946	171,935	-
EXPENDITURES:					
Current:					
Public safety	-	145,529	-	-	-
Community development	-	-	-	171,935	-
Operations services	-	-	81,946	-	-
Community activities	-	5,883	-	-	-
Capital outlay	-	102,492	-	-	-
Total expenditures	-	253,904	81,946	171,935	-
REVENUES OVER (UNDER) EXPENDITURES	11,692	4,365	-	-	-
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	11,692	4,365	-	-	-
FUND BALANCES:					
Beginning of year	43,450	138,679	-	-	-
End of year	\$ 55,142	\$ 143,044	\$ -	\$ -	\$ -

Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,912
389	-	4,061	1,539	22,153	6,910	146,315
-	-	-	-	-	359,960	4,119,968
-	-	-	-	-	-	31,983
-	-	-	-	-	-	81,946
-	-	-	-	-	-	120,737
-	-	-	-	173,591	-	173,591
-	-	237,649	-	-	-	486,641
389	-	241,710	1,539	195,744	366,870	5,366,093
-	-	-	-	-	-	178,012
-	-	-	-	-	-	293,747
-	-	-	-	-	-	388,648
-	-	68,820	-	-	-	94,424
-	-	-	-	673,482	688,592	3,320,661
-	-	68,820	-	673,482	688,592	4,275,492
389	-	172,890	1,539	(477,738)	(321,722)	1,090,601
-	-	-	-	(178,977)	-	(210,204)
-	-	-	-	(178,977)	-	(210,204)
389	-	172,890	1,539	(656,715)	(321,722)	880,397
26,314	-	298,533	104,227	1,453,834	496,324	9,632,917
\$ 26,703	\$ -	\$ 471,423	\$ 105,766	\$ 797,119	\$ 174,602	\$ 10,513,314

(Concluded)

City of Pleasanton
Budgetary Comparison Schedule
D.A.R.E Trust Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 600	\$ 200	\$ 400	\$ 200
Contributions and donations	2,500	2,500	2,000	(500)
Total revenues	<u>3,100</u>	<u>2,700</u>	<u>2,400</u>	<u>(300)</u>
EXPENDITURES:				
Current:				
Public safety	5,000	2,500	1,500	1,000
Capital outlay	-	3,320	3,320	-
Total expenditures	<u>5,000</u>	<u>5,820</u>	<u>4,820</u>	<u>1,000</u>
Net change in fund balances	<u>\$ (1,900)</u>	<u>\$ (3,120)</u>	(2,420)	<u>\$ 700</u>
FUND BALANCES:				
Beginning of year			<u>24,770</u>	
End of year			<u>\$ 22,350</u>	

City of Pleasanton
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Other	\$ 2,000	\$ 2,000	\$ 5,615	\$ 3,615
Use of money and property	<u>100</u>	<u>100</u>	<u>288</u>	<u>188</u>
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>5,903</u>	<u>3,803</u>
EXPENDITURES:				
Current:				
Public safety	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Net change in fund balances	<u>\$ (3,900)</u>	<u>\$ (3,900)</u>	5,903	<u>\$ 9,803</u>
FUND BALANCES:				
Beginning of year			<u>34,979</u>	
End of year			<u>\$ 40,882</u>	

City of Pleasanton
Budgetary Comparison Schedule
CBD Parking In-Lieu Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 91	\$ 91
Contributions and donations	<u>20,280</u>	<u>38,080</u>	<u>17,728</u>	<u>(20,352)</u>
Total revenues	<u>20,280</u>	<u>38,080</u>	<u>17,819</u>	<u>(20,261)</u>
EXPENDITURES:				
Current:				
Community Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 20,280</u>	<u>\$ 38,080</u>	17,819	<u>\$ (20,261)</u>
FUND BALANCES:				
Beginning of year			<u>10</u>	
End of year			<u>\$ 17,829</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Resource Management Special Revenue Fund
 For the year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 2,300	\$ 2,300	\$ 11,366	\$ 9,066
Other	200,000	218,786	216,432	(2,354)
Total revenues	<u>202,300</u>	<u>221,086</u>	<u>227,798</u>	<u>6,712</u>
EXPENDITURES:				
Current:				
Operations services	260,000	320,000	192,322	127,678
Capital Outlay	-	-	2,643	2,643
Total expenditures	<u>260,000</u>	<u>320,000</u>	<u>194,965</u>	<u>130,321</u>
Net change in fund balances	<u>\$ (57,700)</u>	<u>\$ (98,914)</u>	32,833	<u>\$ 137,033</u>
FUND BALANCES:				
Beginning of year			<u>762,782</u>	
End of year			<u>\$ 795,615</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Donations Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 900	\$ 900	\$ 1,847	\$ 947
Contributions and donations	40,000	49,955	13,984	(35,971)
Other	-	5,500	5,493	(7)
Total revenues	<u>40,900</u>	<u>56,355</u>	<u>21,324</u>	<u>(35,031)</u>
EXPENDITURES:				
Current:				
Community activities	-	13,549	19,721	(6,172)
Capital Outlay	40,000	40,000	31,930	8,070
Total expenditures	<u>40,000</u>	<u>53,549</u>	<u>51,651</u>	<u>1,898</u>
Net change in fund balances	<u>\$ 900</u>	<u>\$ 2,806</u>	(30,327)	<u>\$ (33,133)</u>
FUND BALANCES:				
Beginning of year			<u>140,792</u>	
End of year			<u>\$ 110,465</u>	

City of Pleasanton
Budgetary Comparison Schedule
Landscape and Lighting Districts Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Special assessments	\$ 129,947	\$ 129,947	\$ 131,436	\$ 1,489
Use of money and property	2,660	2,660	5,313	2,653
Other	11,559	11,559	11,675	116
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>144,166</u>	<u>144,166</u>	<u>148,424</u>	<u>4,258</u>
EXPENDITURES:				
Current:				
Operations services	139,848	139,646	102,452	37,194
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>139,848</u>	<u>139,646</u>	<u>102,452</u>	<u>37,194</u>
Net change in fund balances	<u>\$ 4,318</u>	<u>\$ 4,520</u>	45,972	<u>\$ 41,452</u>
FUND BALANCES:				
Beginning of year			<u>331,571</u>	
End of year			<u>\$ 377,543</u>	

City of Pleasanton
Budgetary Comparison Schedule
Geologic Hazard Assessment Districts Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Special assessments	\$ 73,417	\$ 73,417	\$ 73,476	\$ 59
Use of money and property	6,300	6,300	12,574	6,274
Other	1,103	1,103	1,147	44
Total revenues	<u>80,820</u>	<u>80,820</u>	<u>87,197</u>	<u>6,377</u>
EXPENDITURES:				
Current:				
Community development	<u>67,030</u>	<u>67,030</u>	<u>23,853</u>	<u>43,177</u>
Total expenditures	<u>67,030</u>	<u>67,030</u>	<u>23,853</u>	<u>43,177</u>
Net change in fund balances	<u>\$ 13,790</u>	<u>\$ 13,790</u>	63,344	<u>\$ 49,554</u>
FUND BALANCES:				
Beginning of year			<u>830,445</u>	
End of year			<u>\$ 893,789</u>	

City of Pleasanton
Budgetary Comparison Schedule
Measure B Transportation Improvements Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 1,700	\$ 6,500	\$ 31,276	\$ 24,776
Intergovernmental	<u>909,881</u>	<u>909,881</u>	<u>936,318</u>	<u>26,437</u>
Total revenues	<u>911,581</u>	<u>916,381</u>	<u>967,594</u>	<u>51,213</u>
EXPENDITURES:				
Current:				
Community development	36,445	36,445	34,452	1,993
Capital outlay	<u>2,979,254</u>	<u>2,841,491</u>	<u>1,536,945</u>	<u>1,304,546</u>
Total expenditures	<u>3,015,699</u>	<u>2,877,936</u>	<u>1,571,397</u>	<u>1,306,539</u>
Net change in fund balances	<u>\$ (2,104,118)</u>	<u>\$ (1,961,555)</u>	(603,803)	<u>\$ 1,357,752</u>
FUND BALANCES:				
Beginning of year			<u>2,289,901</u>	
End of year			<u>\$ 1,686,098</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Gas Tax Special Revenue Fund
 For the year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 12,000	\$ 14,000	\$ 40,546	\$ 26,546
Intergovernmental	<u>2,070,375</u>	<u>2,006,137</u>	<u>2,252,237</u>	<u>246,100</u>
Total revenues	<u>2,082,375</u>	<u>2,020,137</u>	<u>2,292,783</u>	<u>272,646</u>
EXPENDITURES:				
Current:				
Community development	7,500	7,500	7,500	-
Capital outlay	<u>3,659,295</u>	<u>3,488,720</u>	<u>185,110</u>	<u>3,303,610</u>
Total expenditures	<u>3,666,795</u>	<u>3,496,220</u>	<u>192,610</u>	<u>3,303,610</u>
Net change in fund balances	<u>\$ (1,584,420)</u>	<u>\$ (1,476,083)</u>	2,100,173	<u>\$ 3,576,256</u>
FUND BALANCES:				
Beginning of year			<u>2,379,709</u>	
End of year			<u>\$ 4,479,882</u>	

City of Pleasanton
Budgetary Comparison Schedule
H.O.M.E. Program Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 104,000	\$ 312,668	\$ 56,007	\$ (256,661)
Total revenues	<u>104,000</u>	<u>312,668</u>	<u>56,007</u>	<u>(256,661)</u>
EXPENDITURES:				
Current:				
Community development	<u>104,000</u>	<u>312,668</u>	<u>56,007</u>	<u>256,661</u>
Total expenditures	<u>104,000</u>	<u>312,668</u>	<u>56,007</u>	<u>256,661</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
M.T.C. Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 215,030	\$ 188,866	\$ 96,147	\$ (92,719)
Total revenues	<u>215,030</u>	<u>188,866</u>	<u>96,147</u>	<u>(92,719)</u>
EXPENDITURES:				
Capital outlay	<u>215,030</u>	<u>119,983</u>	<u>96,147</u>	<u>23,836</u>
Total expenditures	<u>215,030</u>	<u>119,983</u>	<u>96,147</u>	<u>23,836</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 68,883</u>	<u>-</u>	<u>\$ (68,883)</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
Abandoned Vehicle Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 3,966	\$ 1,966
Charges for services	<u>30,000</u>	<u>30,000</u>	<u>30,983</u>	<u>983</u>
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>34,949</u>	<u>2,949</u>
EXPENDITURES:				
Current:				
Public safety	<u>30,000</u>	<u>30,000</u>	<u>30,983</u>	<u>(983)</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,983</u>	<u>(983)</u>
Net change in fund balances	<u><u>\$ 2,000</u></u>	<u><u>\$ 2,000</u></u>	3,966	<u><u>\$ 1,966</u></u>
FUND BALANCES:				
Beginning of year			<u>244,119</u>	
End of year			<u><u>\$ 248,085</u></u>	

City of Pleasanton
Budgetary Comparison Schedule
Urban Forestry Program Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Contributions and donations	\$ 8,500	\$ 24,100	\$ 76,000	\$ 51,900
Use of money and property	600	300	654	354
Charges for service	-	-	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>9,100</u>	<u>24,400</u>	<u>77,654</u>	<u>53,254</u>
EXPENDITURES:				
Current:				
Operations services	<u>7,000</u>	<u>7,000</u>	<u>11,928</u>	<u>(4,928)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>11,928</u>	<u>(4,928)</u>
OTHER FINANCING SOURCES:				
Transfer out	<u>(37,274)</u>	<u>(37,274)</u>	<u>(31,227)</u>	<u>6,047</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources	<u>(37,274)</u>	<u>(37,274)</u>	<u>(31,227)</u>	<u>6,047</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	<u>\$ (35,174)</u>	<u>\$ (19,874)</u>	34,499	<u>\$ 54,373</u>
FUND BALANCES:				
Beginning of year			<u>32,478</u>	
End of year			<u>\$ 66,977</u>	

City of Pleasanton
Budgetary Comparison Schedule
Library Trust Fund Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 667	\$ 367
Contributions and donations	<u> -</u>	<u>10,000</u>	<u>11,025</u>	<u>1,025</u>
Total revenues	<u>300</u>	<u>10,300</u>	<u>11,692</u>	<u>1,392</u>
EXPENDITURES:				
Capital outlay	<u> -</u>	<u>10,000</u>	<u> -</u>	<u>10,000</u>
Total expenditures	<u> -</u>	<u>10,000</u>	<u> -</u>	<u>10,000</u>
Net change in fund balances	<u>\$ 300</u>	<u>\$ 300</u>	11,692	<u>\$ 11,392</u>
FUND BALANCES:				
Beginning of year			<u>43,450</u>	
End of year			<u>\$ 55,142</u>	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Operating Grants Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 1,200	\$ 1,200	\$ 2,275	\$ 1,075
Intergovernmental	5,043	35,308	247,364	212,056
Other	-	-	8,630	8,630
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>6,243</u>	<u>36,508</u>	<u>258,269</u>	<u>221,761</u>
EXPENDITURES:				
Current:				
Public safety	5,043	136,099	145,529	(9,430)
Community activities	-	-	5,883	(5,883)
Capital outlay	-	22,409	102,492	(80,083)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>5,043</u>	<u>158,508</u>	<u>253,904</u>	<u>(95,396)</u>
Net change in fund balances	<u>\$ 1,200</u>	<u>\$ (122,000)</u>	4,365	<u>\$ 126,365</u>
FUND BALANCES:				
Beginning of year			<u>138,679</u>	
End of year			<u>\$ 143,044</u>	

City of Pleasanton
Budgetary Comparison Schedule
HBPOA Maintenance District Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Reimbursements	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 81,946</u>	<u>\$ (18,054)</u>
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>81,946</u>	<u>(18,054)</u>
EXPENDITURES:				
Current:				
Operations services	<u>100,000</u>	<u>100,000</u>	<u>81,946</u>	<u>18,054</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>81,946</u>	<u>18,054</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 251,000	\$ 287,041	\$ 171,935	\$ (115,106)
Total revenues	<u>251,000</u>	<u>287,041</u>	<u>171,935</u>	<u>(115,106)</u>
EXPENDITURES:				
Current:				
Community development	229,592	265,633	171,935	93,698
Capital outlay	<u>21,408</u>	<u>21,408</u>	<u>-</u>	<u>21,408</u>
Total expenditures	<u>251,000</u>	<u>287,041</u>	<u>171,935</u>	<u>115,106</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Grants Special Revenue Fund
For the year ended June 30, 2014

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

City of Pleasanton
Budgetary Comparison Schedule
Downtown Economic Loan Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 389	\$ 189
Total revenues	<u>200</u>	<u>200</u>	<u>389</u>	<u>189</u>
Net change in fund balances	<u>\$ 200</u>	<u>\$ 200</u>	389	<u>\$ 189</u>
FUND BALANCES:				
Beginning of year			<u>26,314</u>	
End of year			<u>\$ 26,703</u>	

City of Pleasanton
Budgetary Comparison Schedule
Federal ISTEPA Program Special Revenue Fund
For the year ended June 30, 2014

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

City of Pleasanton
Budgetary Comparison Schedule
Community Access Television Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 1,500	\$ 1,500	\$ 4,061	\$ 2,561
Other	<u>215,000</u>	<u>225,000</u>	<u>237,649</u>	<u>12,649</u>
Total revenues	<u>216,500</u>	<u>226,500</u>	<u>241,710</u>	<u>15,210</u>
EXPENDITURES:				
Current:				
Community Activities	37,000	68,820	68,820	-
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total expenditures	<u>97,000</u>	<u>128,820</u>	<u>68,820</u>	<u>60,000</u>
Net change in fund balances	<u>\$ 119,500</u>	<u>\$ 97,680</u>	172,890	<u>\$ 75,210</u>
FUND BALANCES:				
Beginning of year			<u>298,533</u>	
End of year			<u>\$ 471,423</u>	

City of Pleasanton
Budgetary Comparison Schedule
Marilyn Murphy Kane Trail Reserve Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 900	\$ 900	\$ 1,539	\$ 639
Total revenues	<u>900</u>	<u>900</u>	<u>1,539</u>	<u>639</u>
Net change in fund balances	<u>\$ 900</u>	<u>\$ 900</u>	1,539	<u>\$ 639</u>
FUND BALANCES:				
Beginning of year			<u>104,227</u>	
End of year			<u>\$ 105,766</u>	

City of Pleasanton
Budgetary Comparison Schedule
Specific Plan Funds Special Revenue Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,100	\$ 4,200	\$ 22,153	\$ 17,953
Development fees	-	74,967	173,591	98,624
Total revenues	<u>3,100</u>	<u>79,167</u>	<u>195,744</u>	<u>116,577</u>
EXPENDITURES:				
Capital outlay	1,454,480	1,367,648	673,482	694,166
Total expenditures	<u>1,454,480</u>	<u>1,367,648</u>	<u>673,482</u>	<u>694,166</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(76,419)	(178,977)	(102,558)
Total other financing sources (uses)	<u>-</u>	<u>(76,419)</u>	<u>(178,977)</u>	<u>(102,558)</u>
Net change in fund balances	<u>\$ (1,451,380)</u>	<u>\$ (1,364,900)</u>	<u>(656,715)</u>	<u>\$ 708,185</u>
FUND BALANCES:				
Beginning of year			<u>1,453,834</u>	
End of year			<u>\$ 797,119</u>	

City of Pleasanton
Budgetary Comparison Schedule
Vehicle Registration Fees Special Revenue Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 1,000	\$ 6,910	\$ 5,910
Intergovernmental	<u>326,733</u>	<u>326,733</u>	<u>359,960</u>	<u>33,227</u>
Total revenues	<u>327,233</u>	<u>327,733</u>	<u>366,870</u>	<u>39,137</u>
EXPENDITURES:				
Capital outlay	<u>688,592</u>	<u>688,592</u>	<u>688,592</u>	<u>-</u>
Total expenditures	<u>688,592</u>	<u>688,592</u>	<u>688,592</u>	<u>-</u>
Net change in fund balances	<u>\$ (361,359)</u>	<u>\$ (360,859)</u>	(321,722)	<u>\$ 39,137</u>
FUND BALANCES:				
Beginning of year			<u>496,324</u>	
End of year			<u>\$ 174,602</u>	

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.

2003 COPs

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

2004 COPs

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

City of Pleasanton
Combining Balance Sheet
Non-Major Debt Service Fund
June 30, 2014

	2003 COPs	2004 COPs	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Restricted cash and investments	\$ -	\$ 388,515	\$ 388,515
Total assets	<u>\$ -</u>	<u>\$ 388,515</u>	<u>\$ 388,515</u>
FUND BALANCES			
Restricted	\$ -	\$ 388,515	\$ 388,515
Total fund balances	<u>\$ -</u>	<u>\$ 388,515</u>	<u>\$ 388,515</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Fund
For the year ended June 30, 2014

	2003 COPs	2004 COPs	Total
REVENUES:			
Use of money and property	29	\$ 34	\$ 63
Total operating revenues	29	34	63
EXPENDITURES:			
Debt service:			
Principal	-	370,000	370,000
Interest	-	18,932	18,932
Total expenditures	-	388,932	388,932
REVENUES OVER (UNDER) EXPENDITURES	29	(388,898)	(388,869)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	382,441	382,441
Transfers out	(29)	-	(29)
Total other financing sources (uses)	(29)	382,441	382,441
Net change in fund balances	-	(6,457)	(6,457)
FUND BALANCES:			
Beginning of year	-	394,972	394,972
End of year	\$ -	\$ 388,515	\$ 388,515

City of Pleasanton
Budgetary Comparison Schedule
2003 COPs Debt Service Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 29	\$ 29
Total revenues	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(29)	(29)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(29)</u>	<u>(29)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 2004 COPs Debt Service Fund
 For the year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 34	\$ 34
Total revenues	<u>-</u>	<u>-</u>	<u>34</u>	<u>34</u>
EXPENDITURES:				
Debt service:				
Principal	370,000	370,000	370,000	-
Interest, fiscal charges	18,933	18,933	18,932	1
Total expenditures	<u>388,933</u>	<u>388,933</u>	<u>388,932</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(388,933)</u>	<u>(388,933)</u>	<u>(388,898)</u>	<u>33</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	380,448	380,448	382,441	1,993
Total other financing sources (uses)	<u>380,448</u>	<u>380,448</u>	<u>382,441</u>	<u>1,993</u>
Net change in fund balances	<u>\$ (8,485)</u>	<u>\$ (8,485)</u>	<u>(6,457)</u>	<u>\$ 2,026</u>
FUND BALANCES:				
Beginning of year			<u>394,972</u>	
End of year			<u>\$ 388,515</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 2007-08 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.

**City of Pleasanton
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2014**

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Street Capital Improvement Program	Traffic Impact
ASSETS						
Cash and investments	\$ 3,964,486	\$ 3,980,056	\$ 3,458,200	\$ 5,632,477	\$ 6,302,413	\$ 4,416,589
Receivables:						
Accounts	2,152	-	-	-	182,814	-
Interest	6,098	5,989	5,119	8,384	10,056	6,647
Total assets	\$ 3,972,736	\$ 3,986,045	\$ 3,463,319	\$ 5,640,861	\$ 6,495,283	\$ 4,423,236
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 269,128	\$ -	\$ 16,650	\$ 2,074	\$ 27,593	\$ 1,590,981
Deposits	-	-	-	-	-	-
Total liabilities	269,128	-	16,650	2,074	27,593	1,590,981
Fund Balances:						
Restricted	-	3,986,045	3,446,669	5,638,787	-	2,832,255
Assigned	3,703,608	-	-	-	6,467,690	-
Total fund balances	3,703,608	3,986,045	3,446,669	5,638,787	6,467,690	2,832,255
Total liabilities and fund balances	\$ 3,972,736	\$ 3,986,045	\$ 3,463,319	\$ 5,640,861	\$ 6,495,283	\$ 4,423,236

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
\$ 1,113,874	\$ 4,952,972	\$ 7,948,041	\$ 1,937,987	\$ 517,444	\$ 89,667	\$ 9,741,581	\$ 54,055,787
-	-	1,184	-	-	-	-	186,150
1,679	2,949	11,601	2,442	859	-	12,646	74,469
<u>\$ 1,115,553</u>	<u>\$ 4,955,921</u>	<u>\$ 7,960,826</u>	<u>\$ 1,940,429</u>	<u>\$ 518,303</u>	<u>\$ 89,667</u>	<u>\$ 9,754,227</u>	<u>\$ 54,316,406</u>
\$ 157	\$ 74,498	55,473	\$ -	\$ 84,308	\$ -	\$ 87,817	\$ 2,208,679
-	-	-	-	-	89,667	-	89,667
157	74,498	55,473	-	84,308	89,667	87,817	2,298,346
1,115,396	4,881,423	7,905,353	1,940,429	433,995	-	-	32,180,352
-	-	-	-	-	-	9,666,410	19,837,708
1,115,396	4,881,423	7,905,353	1,940,429	433,995	-	9,666,410	52,018,060
<u>\$ 1,115,553</u>	<u>\$ 4,955,921</u>	<u>\$ 7,960,826</u>	<u>\$ 1,940,429</u>	<u>\$ 518,303</u>	<u>\$ 89,667</u>	<u>\$ 9,754,227</u>	<u>\$ 54,316,406</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, 2014

	Miscellaneous Capital Improvement Programs	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Street Capital Improvement Program	Traffic Impact
REVENUES:						
Use of money and property	\$ 74,562	\$ 53,809	\$ 44,290	\$ 63,409	\$ 99,646	\$ 60,130
Intergovernmental	-	-	-	-	-	-
Taxes	-	5,670	-	-	-	-
Development fees	-	-	660,960	1,678,537	24,900	673,990
Reimbursements	-	-	-	-	348,305	-
Contributions and donations	4,500	-	-	-	-	-
Other revenues	149,415	-	-	-	-	-
Total revenues	228,477	59,479	705,250	1,741,946	472,851	734,120
EXPENDITURES:						
Current:						
Public Safety	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	2,342	-	-	15,707	-	-
Community development	-	-	-	-	-	-
Capital outlay	1,351,229	1,687,250	150,650	146,232	369,352	1,870,235
Debt service:						
Principal	468,000	562,417	-	-	-	-
Interest	3,791	5,180	-	-	-	-
Total expenditures	1,825,362	2,254,847	150,650	161,939	369,352	1,870,235
REVENUES OVER (UNDER) EXPENDITURES	(1,596,885)	(2,195,368)	554,600	1,580,007	103,499	(1,136,115)
OTHER FINANCING SOURCES (USES):						
Loan proceeds	-	1,687,250	-	-	-	-
Transfers in	39,506	-	-	-	-	-
Transfers out	(7,260)	-	-	(39,506)	(378,037)	-
Total other financing sources (uses)	32,246	1,687,250	-	(39,506)	(378,037)	-
Net change in fund balances	(1,564,639)	(508,118)	554,600	1,540,501	(274,538)	(1,136,115)
FUND BALANCES:						
Beginning of year	5,268,247	4,494,163	2,892,069	4,098,286	6,742,228	3,968,370
End of year	\$ 3,703,608	\$ 3,986,045	\$ 3,446,669	\$ 5,638,787	\$ 6,467,690	\$ 2,832,255

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
\$ 16,611	\$ 5,505	118,652	\$ 8,621	\$ 9,984	\$ -	\$ 108,684	\$ 663,903
-	-	1,184	-	-	-	-	1,184
-	-	-	-	-	-	-	5,670
-	4,500,000	-	-	76,808	-	-	7,615,195
-	-	-	-	-	-	-	348,305
-	-	410,504	-	-	-	1,800	416,804
-	-	-	-	-	-	-	149,415
16,611	4,505,505	530,340	8,621	86,792	-	110,484	9,200,476
-	-	1,184	-	-	-	-	1,184
33,906	-	-	26,914	-	-	-	60,820
-	-	-	-	-	-	-	18,049
-	-	6,539	-	858	-	-	7,397
-	160,356	684,933	-	321,000	-	346,975	7,088,212
-	-	-	-	-	-	-	1,030,417
-	-	-	-	-	-	-	8,971
33,906	160,356	692,656	26,914	321,858	-	346,975	8,215,050
(17,295)	4,345,149	(162,316)	(18,293)	(235,066)	-	(236,491)	985,426
-	-	-	-	-	-	-	1,687,250
-	-	-	-	-	-	1,385,297	1,424,803
-	-	-	-	-	-	-	(424,803)
-	-	-	-	-	-	1,385,297	2,687,250
(17,295)	4,345,149	(162,316)	(18,293)	(235,066)	-	1,148,806	3,672,676
1,132,691	536,274	8,067,669	1,958,722	669,061	-	8,517,604	48,345,384
\$ 1,115,396	\$ 4,881,423	\$ 7,905,353	\$ 1,940,429	\$ 433,995	\$ -	\$ 9,666,410	\$ 52,018,060

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 5,000	\$ 21,000	\$ 74,562	\$ 53,562
Contributions and donations	-	4,500	4,500	-
Other revenues	16,000	319,571	149,415	(170,156)
Total revenues	<u>21,000</u>	<u>345,071</u>	<u>228,477</u>	<u>(116,594)</u>
EXPENDITURES:				
Current:				
Community activities	256,541	253,541	2,342	251,199
Capital outlay	2,177,690	3,699,611	1,351,229	2,348,382
Debt service:				
Principal	2,468,000	2,468,000	468,000	2,000,000
Interest	-	-	3,791	(3,791)
Total expenditures	<u>4,902,231</u>	<u>6,421,152</u>	<u>1,825,362</u>	<u>4,595,790</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,881,231)</u>	<u>(6,076,081)</u>	<u>(1,596,885)</u>	<u>4,479,196</u>
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	1,186,104	-	(1,186,104)
Transfers in	-	39,506	39,506	-
Transfers out	-	(7,260)	(7,260)	-
Total other financing sources (uses)	<u>-</u>	<u>1,218,350</u>	<u>32,246</u>	<u>(1,186,104)</u>
Net change in fund balances	<u>\$ (4,881,231)</u>	<u>\$ (4,857,731)</u>	<u>(1,564,639)</u>	<u>\$ 3,293,092</u>
FUND BALANCES:				
Beginning of year			<u>5,268,247</u>	
End of year			<u>\$ 3,703,608</u>	

City of Pleasanton
Budgetary Comparison Schedule
CIP for Downtown and North Pleasanton Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 31,500	\$ 19,000	\$ 53,809	\$ 34,809
Taxes	-	-	5,670	5,670
Total revenues	<u>31,500</u>	<u>19,000</u>	<u>59,479</u>	<u>40,479</u>
EXPENDITURES:				
Capital outlay	1,000,000	1,000,000	1,687,250	(687,250)
Debt service:				
Principal	-	-	562,417	(562,417)
Interest	-	-	5,180	(5,180)
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,254,847</u>	<u>(1,254,847)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(968,500)</u>	<u>(981,000)</u>	<u>(2,195,368)</u>	<u>(1,214,368)</u>
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	1,687,250	(1,687,250)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,687,250</u>	<u>-</u>
Net change in fund balances	<u>\$ (968,500)</u>	<u>\$ (981,000)</u>	<u>(508,118)</u>	<u>\$ (1,214,368)</u>
FUND BALANCES:				
Beginning of year			<u>4,494,163</u>	
End of year			<u>\$ 3,986,045</u>	

City of Pleasanton
Budgetary Comparison Schedule
Public Facilities Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Use of money and property	\$ 1,300	\$ 15,000	\$ 44,290	\$ 29,290
Development fees	<u>408,317</u>	<u>548,317</u>	<u>660,960</u>	<u>112,643</u>
Total revenues	<u>409,617</u>	<u>563,317</u>	<u>705,250</u>	<u>141,933</u>
EXPENDITURES:				
Capital outlay	<u>2,731,034</u>	<u>2,731,034</u>	<u>150,650</u>	<u>2,580,384</u>
Total expenditures	<u>2,731,034</u>	<u>2,731,034</u>	<u>150,650</u>	<u>2,580,384</u>
Net change in fund balances	<u>\$ (2,321,417)</u>	<u>\$ (2,167,717)</u>	554,600	<u>\$ 2,722,317</u>
FUND BALANCES:				
Beginning of year			<u>2,892,069</u>	
End of year			<u>\$ 3,446,669</u>	

City of Pleasanton
Budgetary Comparison Schedule
Park Development Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 4,000	\$ 21,000	\$ 63,409	\$ 42,409
Development fees	291,210	1,446,210	1,678,537	232,327
Total revenues	<u>295,210</u>	<u>1,467,210</u>	<u>1,741,946</u>	<u>274,736</u>
EXPENDITURES:				
Current:				
Community activities	-	-	15,707	(15,707)
Capital outlay	4,074,507	4,035,001	146,232	3,888,769
Total expenditures	<u>4,074,507</u>	<u>4,035,001</u>	<u>161,939</u>	<u>3,873,062</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,779,297)</u>	<u>(2,567,791)</u>	<u>1,580,007</u>	<u>4,147,798</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(39,506)	(39,506)	-
Total other financing sources (uses)	<u>-</u>	<u>(39,506)</u>	<u>(39,506)</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,779,297)</u>	<u>\$ (2,607,297)</u>	1,540,501	<u>\$ 4,147,798</u>
FUND BALANCES:				
Beginning of year			<u>4,098,286</u>	
End of year			<u>\$ 5,638,787</u>	

**City of Pleasanton
 Budgetary Comparison Schedule
 Street Capital Improvement Program Capital Projects Fund
 For the year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 30,000	\$ 99,646	\$ 69,646
Development fees	8,000	8,000	24,900	16,900
Reimbursements	-	150,000	348,305	198,305
Total revenues	<u>8,000</u>	<u>188,000</u>	<u>472,851</u>	<u>284,851</u>
EXPENDITURES:				
Capital outlay	<u>6,209,235</u>	<u>6,179,304</u>	<u>369,352</u>	<u>5,809,952</u>
Total expenditures	<u>6,209,235</u>	<u>6,179,304</u>	<u>369,352</u>	<u>5,809,952</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,201,235)</u>	<u>(5,991,304)</u>	<u>103,499</u>	<u>6,094,803</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(378,037)</u>	<u>(378,037)</u>	<u>(378,037)</u>	<u>-</u>
Total other financing sources (uses)	<u>(378,037)</u>	<u>(378,037)</u>	<u>(378,037)</u>	<u>-</u>
Net change in fund balances	<u>\$ (6,579,272)</u>	<u>\$ (6,369,341)</u>	<u>(274,538)</u>	<u>\$ 6,094,803</u>
FUND BALANCES:				
Beginning of year			<u>6,742,228</u>	
End of year			<u>\$ 6,467,690</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact Capital Projects Fund
For the year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 20,000	\$ 60,130	\$ 40,130
Development fees	<u>406,315</u>	<u>406,315</u>	<u>673,990</u>	<u>267,675</u>
Total revenues	<u>421,315</u>	<u>426,315</u>	<u>734,120</u>	<u>307,805</u>
EXPENDITURES:				
Capital outlay	<u>2,786,251</u>	<u>3,662,634</u>	<u>1,870,235</u>	<u>1,792,399</u>
Total expenditures	<u>2,786,251</u>	<u>3,662,634</u>	<u>1,870,235</u>	<u>1,792,399</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,364,936)</u>	<u>(3,236,319)</u>	<u>(1,136,115)</u>	<u>2,100,204</u>
Net change in fund balances	<u>\$ (2,364,936)</u>	<u>\$ (3,236,319)</u>	(1,136,115)	<u>\$ 2,100,204</u>
FUND BALANCES:				
Beginning of year			<u>3,968,370</u>	
End of year			<u>\$ 2,832,255</u>	

City of Pleasanton
Budgetary Comparison Schedule
Landscape Maintenance N.P.I.D. Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 10,000	\$ 10,000	\$ 16,611	\$ 6,611
Other	-	285,325	-	(285,325)
Total revenues	<u>10,000</u>	<u>295,325</u>	<u>16,611</u>	<u>(278,714)</u>
EXPENDITURES:				
Current:				
Operations services	2,600	299,925	33,906	266,019
Total expenditures	<u>2,600</u>	<u>299,925</u>	<u>33,906</u>	<u>266,019</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>7,400</u>	<u>(4,600)</u>	<u>(17,295)</u>	<u>(12,695)</u>
Net change in fund balances	<u>\$ 7,400</u>	<u>\$ (4,600)</u>	<u>(17,295)</u>	<u>\$ (12,695)</u>
FUND BALANCES:				
Beginning of year			<u>1,132,691</u>	
End of year			<u>\$ 1,115,396</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact - Bernal Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 1,100	\$ 2,400	\$ 5,505	\$ 3,105
Development fees	<u> -</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u> -</u>
Total revenues	<u>1,100</u>	<u>4,502,400</u>	<u>4,505,505</u>	<u>3,105</u>
EXPENDITURES:				
Capital Outlay	<u>414,038</u>	<u>2,309,448</u>	<u>160,356</u>	<u>2,149,092</u>
Total expenditures	<u>414,038</u>	<u>2,309,448</u>	<u>160,356</u>	<u>2,149,092</u>
Net change in fund balances	<u>\$ (412,938)</u>	<u>\$ 2,192,952</u>	4,345,149	<u>\$ 2,152,197</u>
FUND BALANCES:				
Beginning of year			<u>536,274</u>	
End of year			<u>\$ 4,881,423</u>	

City of Pleasanton
Budgetary Comparison Schedule
Budgeted Developer Projects Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 118,652	\$ 118,652
Contributions and donations	-	40,800	410,504	369,704
Intergovernmental	-	-	1,184	1,184
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>-</u>	<u>40,800</u>	<u>530,340</u>	<u>489,540</u>
EXPENDITURES:				
Current:				
Public Safety	-	-	1,184	(1,184)
Community development	-	-	6,539	(6,539)
Capital outlay	7,304,547	7,304,547	684,933	6,619,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>7,304,547</u>	<u>7,304,547</u>	<u>692,656</u>	<u>6,611,891</u>
Net change in fund balances	<u>\$ (7,304,547)</u>	<u>\$ (7,263,747)</u>	(162,316)	<u>\$ 7,101,431</u>
FUND BALANCES:				
Beginning of year			<u>8,067,669</u>	
End of year			<u>\$ 7,905,353</u>	

City of Pleasanton
Budgetary Comparison Schedule
Assessment District Construction Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES:				
Use of money and property	\$ 3,700	\$ 3,700	\$ 8,621	\$ 4,921
Total revenues	<u>3,700</u>	<u>3,700</u>	<u>8,621</u>	<u>4,921</u>
EXPENDITURES:				
Current:				
Operations services	23,669	23,669	26,914	(3,245)
Capital outlay	<u>1,536,118</u>	<u>1,618,235</u>	<u>-</u>	<u>1,618,235</u>
Total expenditures	<u>1,559,787</u>	<u>1,641,904</u>	<u>26,914</u>	<u>1,614,990</u>
Net change in fund balances	<u>\$ (1,556,087)</u>	<u>\$ (1,638,204)</u>	(18,293)	<u>\$ 1,619,911</u>
FUND BALANCES:				
Beginning of year			<u>1,958,722</u>	
End of year			<u>\$ 1,940,429</u>	

City of Pleasanton
Budgetary Comparison Schedule
Tri-Valley Transportation Capital Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 800	\$ 3,000	\$ 9,984	\$ 6,984
Development fees	220,000	220,000	76,808	(143,192)
Total revenues	<u>220,800</u>	<u>223,000</u>	<u>86,792</u>	<u>(136,208)</u>
EXPENDITURES:				
Current:				
Community development	-	-	858	(858)
Capital outlay	856,626	856,626	321,000	535,626
Total expenditures	<u>856,626</u>	<u>856,626</u>	<u>321,858</u>	<u>534,768</u>
Net change in fund balances	<u>\$ (635,826)</u>	<u>\$ (633,626)</u>	<u>(235,066)</u>	<u>\$ 398,560</u>
FUND BALANCES:				
Beginning of year			<u>669,061</u>	
End of year			<u>\$ 433,995</u>	

City of Pleasanton
Budgetary Comparison Schedule
Mutual Benefits District Fund Capital Projects Fund
For the year ended June 30, 2014

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

City of Pleasanton
Budgetary Comparison Schedule
Park Capital Improvement Projects Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 600	\$ 35,000	\$ 108,684	\$ 73,684
Contributions and donations	-	-	1,800	1,800
Total revenues	<u>600</u>	<u>35,000</u>	<u>110,484</u>	<u>75,484</u>
EXPENDITURES:				
Capital outlay	<u>9,942,970</u>	<u>9,942,970</u>	<u>346,975</u>	<u>9,595,995</u>
Total expenditures	<u>9,942,970</u>	<u>9,942,970</u>	<u>346,975</u>	<u>9,595,995</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,942,370)</u>	<u>(9,907,970)</u>	<u>(236,491)</u>	<u>9,671,479</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,378,037</u>	<u>1,385,297</u>	<u>1,385,297</u>	-
Total other financing sources (uses)	<u>1,378,037</u>	<u>1,385,297</u>	<u>1,385,297</u>	-
Net change in fund balances	<u>\$ (8,564,333)</u>	<u>\$ (8,522,673)</u>	1,148,806	<u>\$ 9,671,479</u>
FUND BALANCES:				
Beginning of year			<u>8,517,604</u>	
End of year			<u>\$ 9,666,410</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, 2014**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
ASSETS					
Current assets:					
Cash and investments	\$ -	\$ 449,862	\$ 521,961	\$ 2,814	\$ 974,637
Receivables (net):					
Accounts	31,767	19,995	106	459	52,327
Interest	-	583	-	4	587
Total current assets	31,767	470,440	522,067	3,277	1,027,551
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	10,000	51,750	-	61,750
Depreciable	56,509	-	169,855	-	226,364
Total noncurrent assets	56,509	10,000	221,605	-	288,114
Total assets	88,276	480,440	743,672	3,277	1,315,665
LIABILITIES					
Current liabilities:					
Accounts payable	54	22,858	34,342	-	57,254
Payroll payable	6,537	-	-	-	6,537
Due to other funds	23,475	-	-	-	23,475
Refundable deposits	-	-	12,212	-	12,212
Unearned revenue	1,701	-	172,359	-	174,060
Total current liabilities	31,767	22,858	218,913	-	273,538
Total liabilities	31,767	22,858	218,913	-	273,538
NET POSITION					
Net investment in capital assets	56,509	10,000	221,605	-	288,114
Unrestricted	-	447,582	303,154	3,277	754,013
Total net position	\$ 56,509	\$ 457,582	\$ 524,759	\$ 3,277	\$ 1,042,127

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2014

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
OPERATING REVENUES:					
Charges for services	\$ 29,287	\$ 49,142	\$ 176,432	\$ -	\$ 254,861
Miscellaneous	62	-	162,425	2,522	165,009
Total operating revenues	<u>29,349</u>	<u>49,142</u>	<u>338,857</u>	<u>2,522</u>	<u>419,870</u>
OPERATING EXPENSES:					
Personnel services	532,691	-	158,575	-	691,266
Transportation	83,000	-	-	-	83,000
Repairs and maintenance	6,711	-	93,177	-	99,888
Materials, supplies, and services	11,754	88,195	71,218	-	171,167
Depreciation	34,278	-	77,045	-	111,323
Total operating expenses	<u>668,434</u>	<u>88,195</u>	<u>400,015</u>	<u>-</u>	<u>1,156,644</u>
OPERATING INCOME (LOSS)	<u>(639,085)</u>	<u>(39,053)</u>	<u>(61,158)</u>	<u>2,522</u>	<u>(736,774)</u>
NONOPERATING REVENUES (EXPENSES):					
Grants	96,140	-	-	-	96,140
Intergovernmental	95,392	-	-	-	95,392
Interest income	-	5,913	1,464	14	7,391
Total non-operating revenues (expenses)	<u>191,532</u>	<u>5,913</u>	<u>1,464</u>	<u>14</u>	<u>198,923</u>
Net income (loss) before contributions and transfers	<u>(447,553)</u>	<u>(33,140)</u>	<u>(59,694)</u>	<u>2,536</u>	<u>(537,851)</u>
Transfers in	413,275	30,000	-	-	443,275
Change in net position	<u>(34,278)</u>	<u>(3,140)</u>	<u>(59,694)</u>	<u>2,536</u>	<u>(94,576)</u>
NET POSITION:					
Beginning of year	90,787	460,722	584,453	741	1,136,703
End of year	<u>\$ 56,509</u>	<u>\$ 457,582</u>	<u>\$ 524,759</u>	<u>\$ 3,277</u>	<u>\$ 1,042,127</u>

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2014

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 41,298	\$ 59,054	\$ 256,998	\$ (381)	\$ 356,969
Cash payments to suppliers for goods and services	(120,946)	(69,603)	(143,855)	-	(334,404)
Cash payments to employees for services	(532,303)	-	(158,575)	-	(690,878)
Miscellaneous revenue	62	-	162,425	2,522	165,009
Net cash provided (used) by operating activities	(611,889)	(10,549)	116,993	2,141	(503,304)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants received	96,140	-	-	-	96,140
Intergovernmental funds received	95,392	-	-	-	95,392
Transfer in	413,275	30,000	-	-	443,275
Net cash provided (used) by noncapital financing activities	604,807	30,000	-	-	634,807
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	-	-
Interest payment	-	-	-	-	-
Capital assets acquisition	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	5,958	1,465	10	7,433
Net cash provided (used) by investing activities	-	5,958	1,465	10	7,433
Net increase (decrease) in cash and cash equivalents	(7,082)	25,409	118,458	2,151	138,936
CASH AND CASH EQUIVALENTS:					
Beginning of year	7,082	424,453	403,503	663	835,701
End of year	\$ -	\$ 449,862	\$ 521,961	\$ 2,814	\$ 974,637
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (639,085)	\$ (39,053)	\$ (61,158)	\$ 2,522	\$ (736,774)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	34,278	-	77,045	-	111,323
Decrease (increase) in:					
Accounts receivable	11,118	9,912	(106)	(381)	20,543
Increase (decrease) in:					
Accounts payable	(165)	18,592	20,540	-	38,967
Accrued payroll	388	-	-	-	388
Due to other funds	(19,316)	-	-	-	(19,316)
Unearned revenue	893	-	80,078	-	80,971
Refundable deposits	-	-	594	-	594
Net cash provided (used) by operating activities	\$ (611,889)	\$ (10,549)	\$ 116,993	\$ 2,141	\$ (503,304)

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, 2014

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
ASSETS				
Current assets:				
Cash and investments	\$ 10,661,879	\$ 288,222	\$ 21,525,001	\$ 2,103,693
Accounts receivable	87,396	-	30,594	136,555
Interest receivable	12,684	440	30,806	3,048
Prepaid pension asset	-	-	-	-
Total current assets	<u>10,761,959</u>	<u>288,662</u>	<u>21,586,401</u>	<u>2,243,296</u>
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Nondepreciable	-	318,893	297,373	-
Depreciable	-	-	8,799,447	-
Total noncurrent assets	<u>-</u>	<u>318,893</u>	<u>9,096,820</u>	<u>-</u>
Total assets	<u>10,761,959</u>	<u>607,555</u>	<u>30,683,221</u>	<u>2,243,296</u>
LIABILITIES				
Current liabilities:				
Accounts payable	527,730	-	538,938	136,943
Payroll payable	-	-	-	-
Accrued compensated absences	1,059,392	-	-	-
Claims payable	2,089,932	-	-	-
Total current liabilities	<u>3,677,054</u>	<u>-</u>	<u>538,938</u>	<u>136,943</u>
Noncurrent liabilities:				
Advances from other funds	4,610,266	-	-	-
Accrued compensated absences	3,228,541	-	-	-
Claims payable	4,209,236	-	-	-
Total noncurrent liabilities	<u>12,048,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>15,725,097</u>	<u>-</u>	<u>538,938</u>	<u>136,943</u>
NET POSITION				
Net investment in capital assets	-	-	9,096,820	-
Unrestricted	(4,963,138)	607,555	21,047,463	2,106,353
Total net position	<u>\$ (4,963,138)</u>	<u>\$ 607,555</u>	<u>\$ 30,144,283</u>	<u>\$ 2,106,353</u>

Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 6,225,706	\$ 21,299,798	\$ 928,584	\$ 63,032,883
-	-	-	254,545
8,130	31,142	-	86,250
-	-	1,000,000	1,000,000
<u>6,233,836</u>	<u>21,330,940</u>	<u>1,928,584</u>	<u>64,373,678</u>
-	4,610,266	-	4,610,266
-	-	-	616,266
-	-	-	<u>8,799,447</u>
-	4,610,266	-	14,025,979
<u>6,233,836</u>	<u>25,941,206</u>	<u>1,928,584</u>	<u>78,399,657</u>
4,784	756,612	-	1,965,007
-	-	-	-
-	-	-	1,059,392
<u>108,529</u>	<u>-</u>	<u>-</u>	<u>2,198,461</u>
<u>113,313</u>	<u>756,612</u>	<u>-</u>	<u>5,222,860</u>
-	-	-	4,610,266
-	-	-	3,228,541
<u>403,744</u>	<u>-</u>	<u>-</u>	<u>4,612,980</u>
<u>403,744</u>	<u>-</u>	<u>-</u>	<u>12,451,787</u>
<u>517,057</u>	<u>756,612</u>	<u>-</u>	<u>17,674,647</u>
-	-	-	9,096,820
<u>5,716,779</u>	<u>25,184,594</u>	<u>1,928,584</u>	<u>51,628,190</u>
<u>\$ 5,716,779</u>	<u>\$ 25,184,594</u>	<u>\$ 1,928,584</u>	<u>\$ 60,725,010</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2014

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
OPERATING REVENUES:				
Charges for services	\$ 20,105,212	\$ -	\$ 3,460,000	\$ 486,555
Miscellaneous	211,137	-	-	-
Total operating revenues	20,316,349	-	3,460,000	486,555
OPERATING EXPENSES:				
Personnel services	16,907,540	-	-	1,232,640
Materials, supplies, and services	2,405,325	26,686	1,918,966	4,362
Depreciation and amortization	-	-	1,424,416	-
Total operating expenses	19,312,865	26,686	3,343,382	1,237,002
OPERATING INCOME (LOSS)	1,003,484	(26,686)	116,618	(750,447)
NONOPERATING REVENUES/EXPENSES:				
Interest income	130,974	4,589	302,995	24,360
Grants	-	-	15,000	-
Miscellaneous revenues	7,265	-	-	-
Gain (loss) from disposal of capital assets	-	-	(1,519)	-
Total non-operating revenues (expenses)	138,239	4,589	316,476	24,360
Income before Transfers in (out)	1,141,723	(22,097)	433,094	(726,087)
Capital contributions	-	-	1,157	13,286
Transfers in	-	-	80,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	81,157	13,286
Change in net position	1,141,723	(22,097)	514,251	(712,801)
NET POSITION:				
Beginning of year	(6,104,861)	629,652	29,630,032	2,819,154
End of year	\$ (4,963,138)	\$ 607,555	\$ 30,144,283	\$ 2,106,353

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 825,000	\$ 6,987,988	\$ -	\$ 31,864,755
185	-	-	211,322
<u>825,185</u>	<u>6,987,988</u>	<u>-</u>	<u>32,076,077</u>
-	6,346,114	-	24,486,294
667,643	19,860	-	5,042,842
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424,416</u>
<u>667,643</u>	<u>6,365,974</u>	<u>-</u>	<u>30,953,552</u>
<u>157,542</u>	<u>622,014</u>	<u>-</u>	<u>1,122,525</u>
87,650	278,628	-	829,196
-	-	-	15,000
-	-	-	7,265
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,519)</u>
<u>87,650</u>	<u>278,628</u>	<u>-</u>	<u>849,942</u>
245,192	900,642	-	1,972,467
-	-	-	14,443
-	-	928,584	1,008,584
<u>-</u>	<u>(623,000)</u>	<u>-</u>	<u>(623,000)</u>
-	(623,000)	928,584	400,027
245,192	277,642	928,584	2,372,494
<u>5,471,587</u>	<u>24,906,952</u>	<u>1,000,000</u>	<u>58,352,516</u>
<u>\$ 5,716,779</u>	<u>\$ 25,184,594</u>	<u>\$ 1,928,584</u>	<u>\$ 60,725,010</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2014

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customer/other funds	\$ 20,021,785	\$ -	\$ 3,445,000	\$ 391,188
Cash payment to suppliers for goods and services	(1,982,352)	(31,288)	(1,081,953)	130,829
Cash payment to employees for services	(17,055,139)	-	-	(1,232,640)
Miscellaneous revenue	211,137	-	-	-
Net cash provided (used) by operating activities	1,195,431	(31,288)	2,363,047	(710,623)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer in	-	-	80,000	-
Transfer out	-	-	-	-
Grants	-	-	15,000	-
Repayments on advances from other funds	(848,742)	-	-	-
Prepayment of pension expense	-	-	-	-
Revenue from Agency funds	7,265	-	-	-
Net cash provided (used) by noncapital financing activities	(841,477)	-	95,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets acquisition	-	-	(1,838,994)	-
Capital contributions	-	-	-	13,286
Net cash provided (used) by capital and related financing activities	-	-	(1,838,994)	13,286
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	135,625	4,705	308,222	26,364
Repayments on advances to other funds	-	-	-	-
Net cash provided (used) by investing activities	135,625	4,705	308,222	26,364
Net (decrease) in cash and cash equivalents	489,579	(26,583)	927,275	(670,973)
CASH AND CASH EQUIVALENTS:				
Beginning of year	10,172,300	314,805	20,597,726	2,774,666
End of year	\$ 10,661,879	\$ 288,222	\$ 21,525,001	\$ 2,103,693
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,003,484	\$ (26,686)	\$ 116,618	\$ (750,447)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,424,416	-
Decrease (increase) in:				
Accounts receivable	(83,427)	-	(15,000)	(95,367)
Prepaid expense	-	-	486,018	-
Increase (decrease) in:				
Accounts payable	(46,589)	(4,602)	350,995	135,191
Accrued compensated absences	(147,599)	-	-	-
Claims payable	469,562	-	-	-
Net cash provided (used) by operating activities	\$ 1,195,431	\$ (31,288)	\$ 2,363,047	\$ (710,623)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed capital assets	\$ -	\$ -	\$ 1,157	\$ 13,286
Total noncash capital and related financing activities	\$ -	\$ -	\$ 1,157	\$ 13,286

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 825,000	\$ 7,189,053	\$ -	\$ 31,872,026
(925,578)	712,499	-	(3,177,843)
-	(6,346,114)	-	(24,633,893)
185	-	-	211,322
<u>(100,393)</u>	<u>1,555,438</u>	<u>-</u>	<u>4,271,612</u>
-	-	928,584	1,008,584
-	(623,000)	-	(623,000)
-	-	-	15,000
-	-	-	(848,742)
-	-	(1,000,000)	(1,000,000)
-	-	-	7,265
<u>-</u>	<u>(623,000)</u>	<u>(71,416)</u>	<u>(1,440,893)</u>
-	-	-	(1,838,994)
-	-	-	13,286
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,825,708)</u>
89,375	287,228	-	851,519
-	848,742	-	848,742
<u>89,375</u>	<u>1,135,970</u>	<u>-</u>	<u>1,700,261</u>
(11,018)	2,068,408	(71,416)	2,705,272
<u>6,236,724</u>	<u>19,231,390</u>	<u>1,000,000</u>	<u>60,327,611</u>
<u>\$ 6,225,706</u>	<u>\$ 21,299,798</u>	<u>\$ 928,584</u>	<u>\$ 63,032,883</u>
\$ 157,542	\$ 622,014	\$ -	\$ 1,122,525
-	-	-	1,424,416
-	201,065	-	7,271
-	-	-	486,018
4,547	732,359	-	1,171,901
-	-	-	(147,599)
<u>(262,482)</u>	<u>-</u>	<u>-</u>	<u>207,080</u>
<u>\$ (100,393)</u>	<u>\$ 1,555,438</u>	<u>\$ -</u>	<u>\$ 4,271,612</u>
\$ -	\$ -	\$ -	\$ 14,443
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,443</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, 2014

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ 23,154	\$ 32,783	\$ 12,807	\$ 1,477,728	\$ 1,315,184
Receivables:					
Accounts	36,562	-	-	515,016	-
Interest	-	61	-	-	-
Notes receivable	-	-	-	27,900	-
Total assets	\$ 59,716	\$ 32,844	\$ 12,807	\$ 2,020,644	\$ 1,315,184
LIABILITIES					
Accounts payable	\$ 1,810	\$ -	\$ 1,278	\$ 1,819,166	\$ 5,000
Claims					
Accrued compensated absences					
Loan payable	-	-	-	27,900	-
Deposits	57,906	32,844	11,529	173,578	1,310,184
Total liabilities	\$ 59,716	\$ 32,844	\$ 12,807	\$ 2,020,644	\$ 1,315,184

Art Gallery Fund	Livermore- Pleasanton Fire Department (Livermore Share Only)	Total
\$ 1,490	\$ 3,535,100	\$ 6,398,246
-	352,102	903,680
-	4,031	4,092
-		27,900
<u>\$ 1,490</u>	<u>\$ 3,891,233</u>	<u>\$ 7,333,918</u>
\$ 1,490	\$ 208,382	\$ 2,037,126
	2,943,611	2,943,611
	579,369	579,369
-	-	27,900
-	159,871	1,745,912
<u>\$ 1,490</u>	<u>\$ 3,891,233</u>	<u>\$ 7,333,918</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Employee Insurance Agency</u>				
Assets:				
Cash and investments	\$ 33,836	\$ 711,273	\$ (721,953)	\$ 23,156
Accounts receivable	41,238	467,401	(472,079)	36,560
Total assets	\$ 75,074	\$ 1,178,674	\$ (1,194,032)	\$ 59,716
Liabilities:				
Accounts payable	\$ 805	\$ 401,418	\$ (400,414)	\$ 1,809
Due to other funds	8,635	-	(8,635)	-
Deposits	65,634	622,301	(630,028)	57,907
Total liabilities	\$ 75,074	\$ 1,023,719	\$ (1,039,077)	\$ 59,716
<u>Downtown Merchant Association</u>				
Assets:				
Cash and investments	\$ 34,207	\$ 63,333	\$ (64,757)	\$ 32,783
Interest receivable	57	61	(57)	61
Total assets	\$ 34,264	\$ 63,394	\$ (64,814)	\$ 32,844
Liabilities:				
Accounts payable	\$ -	\$ 64,685	\$ (64,685)	\$ -
Deposits	34,264	63,115	(64,535)	32,844
Total liabilities	\$ 34,264	\$ 127,800	\$ (129,220)	\$ 32,844
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 11,529	\$ 11,552	\$ (10,274)	\$ 12,807
Total assets	\$ 11,529	\$ 11,552	\$ (10,274)	\$ 12,807
Liabilities:				
Accounts payable	\$ -	\$ 11,552	\$ (10,274)	\$ 1,278
Deposits	11,529	-	-	11,529
Total liabilities	\$ 11,529	\$ 11,552	\$ (10,274)	\$ 12,807
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 1,086,144	\$ 9,471,459	\$ (9,079,876)	\$ 1,477,727
Receivables:				
Accounts	735,663	728,476	(949,122)	515,017
Notes	31,610	-	(3,710)	27,900
Total assets	\$ 1,853,417	\$ 10,199,935	\$ (10,032,708)	\$ 2,020,644
Liabilities:				
Payables:				
Accounts	\$ 1,625,838	\$ 7,529,477	\$ (7,336,149)	\$ 1,819,166
Notes	31,610	-	(3,710)	27,900
Deposits	195,969	9,154,238	(9,176,629)	173,578
Total liabilities	\$ 1,853,417	\$ 16,683,715	\$ (16,516,488)	\$ 2,020,644
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 741,748	\$ 922,976	\$ (349,540)	\$ 1,315,184
Total assets	\$ 741,748	\$ 922,976	\$ (349,540)	\$ 1,315,184
Liabilities:				
Accounts payable	\$ -	\$ 151,540	\$ (146,540)	\$ 5,000
Deposits	741,748	922,976	(354,540)	1,310,184
Total liabilities	\$ 741,748	\$ 1,074,516	\$ (501,080)	\$ 1,315,184

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Art Gallery Fund</u>				
Assets:				
Cash and investments	\$ 231	\$ 17,342	\$ (16,083)	\$ 1,490
Total assets	\$ 231	\$ 17,342	\$ (16,083)	\$ 1,490
Liabilities:				
Accounts payable	\$ 231	\$ 12,137	\$ (10,878)	\$ 1,490
Deposits	-	11,002	(11,002)	-
Total liabilities	\$ 231	\$ 23,139	\$ (21,880)	\$ 1,490
<u>Livermore-Pleasanton Fire Department</u> <u>(Livermore Share Only)</u>				
Assets:				
Cash and investments	\$ 4,590,534	\$ 5,140,024	\$ (6,195,459)	\$ 3,535,099
Receivables:				
Accounts	50,473	352,102	(50,472)	352,103
Interest	6,865	4,031	(6,865)	4,031
Total assets	\$ 4,647,872	\$ 5,496,157	\$ (6,252,796)	\$ 3,891,233
Liabilities:				
Accounts payable	\$ 63,700	\$ 208,384	\$ (63,701)	\$ 208,383
Claims payable	2,508,042	2,943,609	(2,508,040)	2,943,611
Accrued compensated absences	579,369	-	-	579,369
Unearned revenue	5,219	-	(5,219)	-
Deposits	1,491,542	1,284,178	(2,615,850)	159,870
Total liabilities	\$ 4,647,872	\$ 4,436,171	\$ (5,192,810)	\$ 3,891,233
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 6,498,229	\$ 16,337,959	\$ (16,437,942)	\$ 6,398,246
Receivables:				
Accounts	827,374	1,547,979	(1,471,673)	903,680
Interest	6,922	4,092	(6,922)	4,092
Notes receivable	31,610	-	(3,710)	27,900
Total assets	\$ 7,364,135	\$ 17,890,030	\$ (17,920,247)	\$ 7,333,918
Liabilities:				
Payables:				
Accounts	\$ 1,690,574	\$ 8,379,193	\$ (8,032,641)	\$ 2,037,126
Claims	2,508,042	2,943,609	(2,508,040)	2,943,611
Accrued compensated absences	579,369	-	-	579,369
Loan	31,610	-	(3,710)	27,900
Due to other funds	8,635	-	(8,635)	-
Unearned revenue	5,219	-	(5,219)	-
Deposits	2,540,686	12,057,810	(12,852,584)	1,745,912
Total liabilities	\$ 7,364,135	\$ 23,380,612	\$ (23,410,829)	\$ 7,333,918

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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>
<i>Financial Trends Information</i>	
This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	181
<i>Revenue Capacity Information</i>	
This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.	193
<i>Debt Capacity Information</i>	
This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	201
<i>Demographic and Economic Information</i>	
This information is intended to assist users in understanding socioeconomic environment within which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.	209
<i>Operating Information</i>	
This information is intended to provide information about operations and resources to assist readers in using financial statements information to understand and assess a government's economic condition.	213

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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)

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Governmental Activities				
Net Investment in				
Capital Assets ⁽¹⁾	\$ 380,390,639	\$ 376,469,051	\$ 378,710,205	\$ 387,184,839
Restricted	47,141,404	47,775,291	50,280,585	56,544,224
Unrestricted ⁽²⁾	117,261,111	132,091,752	141,297,679	153,668,288
Total government activities net position	\$ 544,793,154	\$ 556,336,094	\$ 570,288,469	\$ 597,397,351
Business-Type Activities				
Net Investment in				
Capital Assets	\$ 175,189,829	\$ 183,167,289	\$ 204,187,116	\$ 210,923,039
Restricted	1,243,708	814,068	686,964	620,850
Unrestricted	54,511,151	58,875,845	56,449,170	52,522,039
Total business-type activities net position	\$ 230,944,688	\$ 242,857,202	\$ 261,323,250	\$ 264,065,928
Primary Government				
Net Investment in				
Capital Assets	\$ 555,580,468	\$ 559,636,340	\$ 582,897,321	\$ 598,107,878
Restricted	48,385,112	48,589,359	50,967,549	57,165,074
Unrestricted	171,772,262	190,967,597	197,746,849	206,190,327
Total primary government activities net position	\$ 775,737,842	\$ 799,193,296	\$ 831,611,719	\$ 861,463,279

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					
2009	2010	2011	2012	2013	2014
\$ 408,670,524	\$ 447,001,813	\$ 442,888,249	\$ 459,571,666	\$ 478,640,595	\$ 478,618,864
49,187,538	52,277,108	53,388,353	53,945,028	54,730,098	59,542,954
145,009,695	129,218,569	125,477,861	116,496,384	88,466,476	92,908,491
<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>	<u>\$ 631,070,309</u>
\$ 214,389,793	\$ 210,069,900	\$ 202,753,118	\$ 196,819,739	\$ 189,306,314	\$ 182,419,601
610,294	264,948	2,267,923	4,273,502	4,630,314	5,245,338
49,036,181	42,260,016	40,528,824	41,306,525	41,910,981	45,209,251
<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>	<u>\$ 232,874,190</u>
\$ 623,060,317	\$ 657,071,713	\$ 645,641,367	\$ 656,391,405	\$ 667,946,909	\$ 661,038,465
49,797,832	52,542,056	55,656,276	58,218,530	59,360,412	64,788,292
194,045,876	171,478,585	166,006,685	157,802,909	130,377,457	138,117,742
<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>	<u>\$ 863,944,499</u>

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

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 535,485	\$ 488,237	\$ 540,607	\$ 539,443
Public Safety ⁽¹⁾	12,788,675	13,949,960	14,495,113	15,748,044
Community Development ⁽²⁾	1,549,543	3,194,674	599,131	579,215
Operations Services ⁽²⁾	3,602,716	3,634,892	3,216,986	3,074,811
Community Activities	3,300,615	3,425,758	3,899,454	4,005,599
Operating Grants & Contributions	4,674,945	5,695,141	3,641,293	3,090,744
Capital Grants & Contributions	14,099,033	12,350,368	10,113,847	21,607,143
Total Government Activities:	40,551,012	42,739,030	36,506,431	48,644,999
Business-Type Activities:				
Charges for Services				
Water	14,723,422	15,060,402	15,964,135	15,535,004
Sewer	10,910,064	10,947,581	13,489,859	11,178,802
Golf	-	2,671,290	4,564,478	4,578,857
Transit	43,077	38,740	39,284	43,130
Storm Drain	223,505	353,976	363,353	356,724
Cemetery	-	-	-	-
Pleasanton Housing Authority	149,706	231,478	142,447	159,226
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	4,494,296	7,559,908	12,107,855	7,075,196
Total Business-Type Activities	30,544,070	36,863,375	46,671,411	38,926,939
Total Primary Government Revenues	\$ 71,095,082	\$ 79,602,405	\$ 83,177,842	\$ 87,571,938
Expenses				
Governmental Activities:				
General Government	\$ 8,844,298	\$ 10,142,529	\$ 11,598,637	\$ 9,928,811
Public Safety ⁽¹⁾	39,354,201	43,286,424	45,396,698	47,939,264
Community Development ⁽²⁾	3,954,646	7,376,026	5,527,218	5,054,123
Operations Services ⁽²⁾	20,522,902	26,053,044	25,333,753	27,080,827
Community Activities	16,483,828	17,783,181	20,576,380	20,866,873
Interest on Long-Term Debt	1,445,994	1,276,016	1,232,732	1,202,153
Total Government Activities:	90,605,869	105,917,220	109,665,418	112,072,051
Business-Type Activities:				
Water	13,057,857	15,197,789	16,863,032	16,671,095
Sewer	11,558,840	11,457,129	12,906,227	13,883,619
Golf	346,627	2,810,105	5,904,610	5,737,159
Transit	475,477	518,813	508,760	557,103
Storm Drain	1,215,224	1,288,566	1,529,192	1,531,754
Cemetery	-	-	90,274	58,407
Pleasanton Housing Authority	290,944	343,746	397,526	372,050
Total Business-Type Activities	26,944,969	31,616,148	38,199,621	38,811,187
Total Primary Government Expense	\$ 117,550,838	\$ 137,533,368	\$ 147,865,039	\$ 150,883,238

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 LPFD 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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 553,377	\$ 552,655	\$ 600,615	\$ 530,379	\$ 847,400	\$ 351,432
15,222,341	15,438,986	15,133,410	15,349,962	1,925,017	1,871,706
2,143,307	1,881,698	1,263,487	4,213,319	5,070,801	5,406,350
115,257	180,938	254,425	172,033	488,833	615,063
3,794,922	3,316,593	3,409,771	3,814,092	3,786,304	3,920,184
4,238,873	2,352,064	2,344,348	1,981,223	2,339,740	1,446,304
15,900,420	7,684,713	9,269,252	28,315,596	8,257,001	13,322,657
<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>	<u>26,933,696</u>
14,882,156	14,045,288	15,906,217	17,858,731	19,874,140	19,542,181
10,461,999	10,693,533	11,201,749	12,450,545	12,873,074	13,591,371
4,374,085	4,182,190	3,871,138	3,924,212	3,921,815	3,781,952
42,289	40,306	40,278	36,393	32,728	29,287
361,563	365,816	370,024	365,155	347,612	361,348
-	-	349,941	102,046	77,242	49,142
175,873	160,093	155,609	153,255	163,515	176,432
-	-	-	-	182,854	114,771
<u>10,913,306</u>	<u>665,225</u>	<u>-</u>	<u>478,160</u>	<u>78,595</u>	<u>-</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>37,646,484</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>	<u>\$ 64,580,180</u>
\$ 10,751,657	\$ 14,462,794	\$ 11,320,194	\$ 11,287,857	\$ 10,983,778	\$ 10,360,977
53,586,653	53,923,103	53,346,944	61,545,745	47,486,526	42,173,584
12,485,756	10,931,688	11,383,162	12,614,316	18,502,872	15,690,263
16,774,701	16,120,414	25,859,451	25,072,278	20,676,081	23,101,587
25,180,011	21,559,193	13,238,584	12,186,269	11,705,687	10,767,100
1,159,175	1,122,135	1,077,908	1,048,843	1,528,110	36,565
<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>	<u>102,130,076</u>
20,941,922	17,710,045	18,783,261	20,624,535	22,028,379	19,955,880
13,968,779	14,794,022	13,818,267	14,216,171	14,050,710	14,397,652
5,249,520	5,530,246	5,048,601	5,146,812	5,154,023	5,217,734
708,954	687,793	694,687	690,067	668,192	656,825
1,894,830	1,866,985	1,822,769	1,746,357	1,758,604	1,661,216
47,983	207,186	36,998	22,544	29,656	88,195
413,767	425,771	453,270	380,940	375,950	400,015
<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>42,377,517</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>	<u>\$ 144,507,593</u>

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

	Fiscal Year Ended June 30			
	2005	2006	2007	2008
Net (Expenses)/Revenue:				
Governmental Activities:	\$ (50,054,857)	\$ (63,178,190)	\$ (73,158,987)	\$ (63,427,052)
Business-Type Activities:	<u>3,599,101</u>	<u>5,247,227</u>	<u>8,471,790</u>	<u>115,752</u>
Total Net (Expense)/Revenue	<u>(46,455,756)</u>	<u>(57,930,963)</u>	<u>(64,687,197)</u>	<u>(63,311,300)</u>
General Revenues & Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property taxes	36,670,867	41,257,246	45,341,149	47,973,499
Other taxes	7,080,946	7,484,133	7,534,768	7,257,360
Sales tax	19,885,692	21,029,378	21,060,115	21,130,683
Motor vehicle in lieu	714,960	1,538,398	403,401	304,886
Franchise fees	1,465,139	1,578,689	1,727,617	1,783,405
Infrastructure maintenance contribution	-	-	-	-
Unrestricted investment earnings	4,467,829	4,230,879	9,654,142	10,554,711
Miscellaneous	1,091,220	641,283	792,476	641,888
Interfund charges	1,413,457	1,322,631	-	-
Gain/(loss) on sale of capital assets	-	-	-	-
Transfers	<u>(1,126,044)</u>	<u>(4,361,507)</u>	<u>597,694</u>	<u>889,502</u>
Total Government Activities:	<u>71,664,066</u>	<u>74,721,130</u>	<u>87,111,362</u>	<u>90,535,934</u>
Business-Type Activities:				
Unrestricted investment earnings	1,733,994	1,109,607	2,181,462	1,898,546
Equity interest in gain from joint ventures	-	1,918,111	-	-
Miscellaneous	1,477,956	598,693	802,445	1,617,882
Interfund charges	(1,413,457)	(1,322,631)	-	-
Gain/(loss) on sale of capital assets	-	-	-	-
Transfers	<u>1,126,044</u>	<u>4,361,507</u>	<u>(597,694)</u>	<u>(889,502)</u>
Total Business-Type Activities	<u>2,924,537</u>	<u>6,665,287</u>	<u>2,386,213</u>	<u>2,626,926</u>
Total Primary Government	<u>74,588,603</u>	<u>81,386,417</u>	<u>89,497,575</u>	<u>93,162,860</u>
Change in Net Position				
Governmental Activities:	21,609,209	11,542,940	13,952,375	27,108,882
Business-Type Activities:	<u>6,523,638</u>	<u>11,912,514</u>	<u>10,858,003</u>	<u>2,742,678</u>
Total Primary Government	<u>\$ 28,132,847</u>	<u>\$ 23,455,454</u>	<u>\$ 24,810,378</u>	<u>\$ 29,851,560</u>

Fiscal Year Ended June 30					
2009	2010	2011	2012	2013	2014
\$ (77,969,456)	\$ (86,711,680)	\$ (83,950,935)	\$ (69,378,704)	\$ (88,167,958)	\$ (75,196,380)
(2,014,484)	(11,069,597)	(8,762,897)	(7,458,929)	(6,513,939)	(4,731,033)
<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>	<u>(79,927,413)</u>
50,414,405	49,724,115	48,569,049	47,923,732	48,648,728	50,366,818
6,031,852	5,957,264	6,245,758	6,962,201	7,866,876	8,278,095
17,535,784	15,420,066	18,503,316	19,107,418	19,102,977	20,993,123
236,475	206,180	356,653	36,534	30,491	-
1,829,153	1,955,493	2,001,934	2,012,970	2,114,954	2,371,125
-	-	-	-	-	-
6,863,523	1,766,743	1,585,593	1,439,639	230,933	2,326,506
663,770	647,235	568,212	983,690	1,076,858	868,797
-	-	-	-	-	-
-	-	-	-	-	-
144,302	393,080	(622,606)	(828,865)	920,232	(774,943)
<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>	<u>84,429,521</u>
1,176,950	267,730	264,762	282,760	(100,734)	525,766
-	-	-	-	-	-
1,078,280	1,151,141	830,530	960,939	982,747	456,905
-	-	-	-	-	-
-	-	-	-	-	-
(144,302)	(393,080)	622,606	3,065,131	(920,232)	774,943
<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>1,757,614</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>	<u>86,187,135</u>
5,749,808	(10,641,504)	(6,743,026)	8,258,615	(8,175,909)	9,233,141
96,444	(10,043,806)	(7,044,999)	(3,150,099)	(6,552,158)	(2,973,419)
<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>	<u>\$ 6,259,722</u>

City of Pleasanton
Fund Balances of Governmental Funds ⁽¹⁾
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30		
	2005	2006	2007
General Fund			
Reserved	\$ 612,602	\$ 605,264	\$ 1,360,798
Unreserved	<u>22,010,563</u>	<u>23,915,653</u>	<u>24,713,932</u>
Total General Fund	<u>22,623,165</u>	<u>24,520,917</u>	<u>26,074,730</u>
All Other Governmental Funds			
Reserved	\$ 421,035	\$ 411,095	\$ 412,354
Unreserved, reported in:			
Special Revenue Funds	22,675,830	21,886,907	20,877,745
Capital Projects Funds	<u>57,038,753</u>	<u>62,842,692</u>	<u>64,812,331</u>
Total All Other Governments Funds	<u>\$ 80,135,618</u>	<u>\$ 85,140,694</u>	<u>\$ 86,102,430</u>

	Fiscal Year Ending June 30		
	2011	2012	2013
General Fund			
Nonspendable	\$ 168,033	\$ 218,658	\$ 264,456
Restricted	-	-	-
Committed ⁽²⁾	19,953,285	20,029,711	9,229,188
Assigned ⁽²⁾	2,000,000	2,000,000	-
Unassigned	<u>3,207,664</u>	<u>3,083,456</u>	<u>3,425,359</u>
Total General Fund	<u>\$ 25,328,982</u>	<u>\$ 25,331,825</u>	<u>\$ 12,919,003</u>
All Other Governmental Funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	53,388,353	53,945,028	54,730,098
Committed	-	-	-
Assigned	22,584,906	22,174,209	20,544,393
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governments Funds	<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		
2008	2009	2010
\$ 643,256	\$ 1,756,537	\$ -
<u>24,807,190</u>	<u>23,694,199</u>	<u>25,282,385</u>
<u>25,450,446</u>	<u>25,450,736</u>	<u>25,282,385</u>

\$ 406,282	\$ 404,188	\$ 394,945
24,006,111	22,754,570	23,681,256
<u>70,880,985</u>	<u>57,965,409</u>	<u>52,325,470</u>
<u>\$ 95,293,378</u>	<u>\$ 81,124,167</u>	<u>\$ 76,401,671</u>

**Fiscal Year
Ending June 30
2014**

\$ 218,082
-
9,650,614
-
<u>5,136,347</u>
<u>\$ 15,005,043</u>

\$ -
59,542,954
-
19,872,240
<u>(732,151)</u>
<u>\$ 78,683,043</u>

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

	Fiscal Year Ending June 30			
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 63,993,411	\$ 69,225,234	\$ 75,235,506	\$ 76,668,560
Special Assessments	195,654	215,035	190,362	196,784
Licenses	12,906	11,709	11,259	11,591
Permits	2,275,465	2,031,209	1,950,100	1,701,275
Fines and Forfeitures	630,864	575,524	526,208	557,615
Use of Money & Property	3,519,701	2,766,468	5,926,569	6,306,432
Intergovernmental	5,096,526	6,171,443	5,933,046	5,916,548
Franchises	1,465,139	1,578,689	1,727,617	1,783,405
Charges for Services ⁽¹⁾	12,423,506	13,747,992	13,268,001	14,320,932
Development Fees	5,304,045	3,685,255	3,824,811	6,403,102
Plan Check fees	924,146	1,119,904	924,558	995,038
Reimbursements	1,520,518	1,786,422	2,147,204	2,043,745
Contributions and Donations	4,091,889	3,417,226	748,144	6,027,436
Other Revenues	3,622,421	3,520,069	3,313,780	3,836,587
Recreation Charges	3,068,010	3,318,406	3,659,920	3,731,918
	<u>108,144,201</u>	<u>113,170,585</u>	<u>119,387,085</u>	<u>130,500,968</u>
Expenditures:				
Current:				
General Government	9,333,247	10,279,430	11,362,742	12,405,156
Public Safety ⁽¹⁾	39,983,855	43,826,861	47,626,223	50,030,665
Community Development ⁽²⁾	3,611,279	7,560,598	5,250,750	5,841,161
Operations Services ⁽²⁾	14,463,138	15,413,787	15,780,590	15,791,053
Community Activities	14,819,659	16,209,390	17,850,952	18,580,800
Capital Outlay	15,386,422	8,486,034	16,521,137	18,073,711
Debt Service:				
Principal ⁽³⁾	755,000	1,330,000	1,345,000	1,385,000
Interest & Fiscal Charges ⁽³⁾	1,524,714	1,239,890	1,204,063	1,167,388
Total Expenditures	<u>99,877,314</u>	<u>104,345,990</u>	<u>116,941,457</u>	<u>123,274,934</u>
Excess/(Deficiency of Revenues Over/(Under) Expenditures	<u>8,266,887</u>	<u>8,824,595</u>	<u>2,445,628</u>	<u>7,226,034</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	-	-	-	-
Proceeds from Issuance of Debt	-	1,520,000	-	227,487
Proceeds from Sale of Bonds	4,040,000	-	-	-
Payment to Escrow Agents	(4,755,000)	-	-	-
Capital Lease	-	-	-	-
Loan Proceeds				
Transfers In ⁽⁴⁾	16,600,296	8,426,644	17,317,214	11,085,480
Transfers Out ⁽⁴⁾	<u>(16,955,839)</u>	<u>(11,868,411)</u>	<u>(16,429,835)</u>	<u>(9,972,337)</u>
Total Other Financing Sources (Uses)	<u>(1,070,543)</u>	<u>(1,921,767)</u>	<u>887,379</u>	<u>1,340,630</u>
Net Change in Fund Balances	7,196,344	6,902,828	3,333,007	8,566,664
Fund Balances:				
Beginning of Year	95,562,439	102,758,783	109,661,611	112,177,160
Prior Period Adjustment	-	-	(817,458)	-
End of Year	<u>\$ 102,758,783</u>	<u>\$ 109,661,611</u>	<u>\$ 112,177,160</u>	<u>\$ 120,743,824</u>
Debt Service as a Percentage of Noncapital Expenditure ⁽⁵⁾				
	2.65%	2.63%	2.37%	2.26%

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 LPPD 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.

(5) The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is presented as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

Fiscal Year Ending June 30						
	2009	2010	2011	2012	2013	2014
\$	74,321,964	\$ 71,408,195	\$ 73,637,299	\$ 74,342,216	\$ 75,998,183	\$ 80,036,078
	194,311	203,798	202,642	198,710	210,276	204,912
	11,536	11,424	10,978	11,180	10,548	15,534
	974,211	852,900	1,453,709	1,775,254	1,963,950	1,809,142
	471,606	453,118	554,089	514,613	606,483	528,070
	3,840,218	1,211,827	1,201,627	1,169,435	966,403	2,002,307
	5,585,376	5,382,179	7,204,939	5,398,749	7,470,232	5,665,356
	1,829,153	1,955,493	2,001,935	2,012,970	2,114,955	2,371,125
	14,409,775	14,741,021	14,382,797	14,624,998	955,963	1,003,549
	4,747,036	1,646,586	3,104,570	3,822,464	3,117,578	8,559,519
	483,500	428,476	918,878	1,616,141	1,200,174	2,124,937
	2,142,775	2,368,673	1,387,642	1,525,030	2,422,053	1,759,826
	1,145,881	1,659,234	461,576	1,726,507	414,842	547,642
	3,707,092	3,053,264	3,061,797	3,326,512	3,139,666	2,985,310
	3,708,827	3,210,480	3,295,411	3,504,924	3,457,871	3,772,872
	<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>	<u>113,386,179</u>
	12,127,645	11,896,618	11,172,110	11,671,393	11,942,389	11,773,367
	50,354,468	51,761,407	50,091,867	52,128,400	39,771,835	41,628,740
	12,453,559	11,490,516	11,991,350	12,658,878	12,760,139	13,761,593
	8,006,599	8,130,826	14,377,543	14,109,244	14,617,656	15,904,145
	17,621,844	16,885,312	10,644,722	10,551,455	10,976,770	11,037,399
	30,476,317	12,720,830	9,199,072	10,123,534	10,294,297	12,510,682
	1,425,000	1,825,000	1,860,000	1,852,741	22,132,902	1,773,047
	1,129,603	1,091,998	1,053,120	1,009,993	1,173,287	29,335
	<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>108,418,308</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>	<u>4,967,871</u>
	-	-	-	-	-	-
	20,000	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	102,372	-	-
						1,687,250
	11,193,907	6,702,172	5,610,956	12,787,282	25,318,583	2,853,819
	<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>(4,014,347)</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>	<u>526,722</u>
	<u>(14,168,921)</u>	<u>(4,890,847)</u>	<u>(381,815)</u>	<u>148,821</u>	<u>(13,257,568)</u>	<u>5,494,593</u>
	120,743,824	106,574,903	101,684,056	101,302,241	101,451,062	88,193,493
	-	-	-	-	-	-
\$	<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>	<u>93,688,086</u>
	2.32%	2.75%	2.76%	2.70%	20.14%	1.84%

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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

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate ⁽²⁾
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%
2014	17,035,804,215	1,583,362	605,798,375	17,643,185,952	0.2971%

The net taxable assessed value provided by Alameda County is the only data currently available with respect to the (1) actual market value of taxable property.

(2) Unsecured property is taxed at the prior year direct tax rate.

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			
	2005	2006	2007	2008
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	0.0935	0.0854	0.0721	0.0756
Community College District	0.0186	0.0158	0.0159	0.0164
Flood Zone 7	0.0114	0.0130	0.0151	0.0150
Bay Area Rapid Transit District	0.0000	0.0048	0.0050	0.0076
East Bay Regional Park District	0.0057	0.0057	0.0085	0.0080
Total	1.1292	1.1247	1.1166	1.1226

Note: Rates are percentage of total assessed value

Source: HDL Companies

2009	2010	2011	2012	2013	2014
0.7029	0.7029	0.7029	0.7029	0.7029	0.7029
0.2971	0.2971	0.2971	0.2971	0.2971	0.2971
0.0777	0.0809	0.0891	0.0908	0.0963	0.2390
0.0183	0.0195	0.0211	0.0214	0.0219	0.0262
0.0169	0.0203	0.0250	0.0307	0.0228	0.0219
0.0090	0.0057	0.0031	0.0041	0.0043	0.0064
0.0100	0.0108	0.0084	0.0071	0.0051	0.0305
1.1319	1.1372	1.1467	1.1541	1.1504	1.3240

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

2013/14			2004/05		
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	\$ 261,100,477	1.47%	Oracle America/Peoplesoft	\$ 336,911,916	2.53%
Stoneridge Properties	241,528,864	1.36%	Stoneridge Properties	203,811,238	1.53%
Pleasant Property LLC	220,429,227	1.24%	6200 Stoneridge Mall Rd Inv	157,999,000	1.19%
Safeway Inc.	149,219,687	0.84%	National Office Partners LP	150,964,046	1.13%
Applera Corporation	139,048,433	0.78%	Britannia Hacienda LP	132,936,963	1.00%
Stoneridge Residential LLC	126,452,850	0.71%	Carr Realty Corporation	131,741,610	0.99%
Tishman Speyer Archstone Smith	122,710,359	0.69%	Applera Corporation	126,870,458	0.95%
Oracle America Inc/Peoplesoft	119,535,973	0.67%	Safeway Inc.	112,715,540	0.85%
6200 Stoneridge Mall Rd Inv	116,064,082	0.65%	WB Bernal LLC	100,666,155	0.76%
Boehringer Mannheim Corporation	114,674,059	0.65%	Clorox Services Company	96,840,208	0.73%
	<u>\$1,610,764,011</u>	<u>9.07%</u>		<u>\$1,551,457,134</u>	<u>11.66%</u>

Source: HdL Companies
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 ⁽¹⁾	Collection within the Fiscal Year of Levy		Delinquent Tax Collections ⁽²⁾
		Amount	Percent of Levy	
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
2014	54,769,569	54,438,909	99.40%	1,001,164

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, 2014

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

Fiscal Year Ended June 30	Governmental Activities			
	General Obligation Bonds	Certificates of Participation	Notes, Capital Lease & Mortgage Payable	Total Governmental Activities
2005	\$ -	\$ 31,890,000	\$ 75,000	\$ 31,965,000
2006	-	30,560,000	1,595,000	32,155,000
2007	-	29,215,000	1,595,000	30,810,000
2008	-	27,830,000	1,822,487	29,652,487
2009	-	26,405,000	5,242,487	31,647,487
2010	-	25,110,000	4,712,487	29,822,487
2011	-	23,780,000	2,682,487	26,462,487
2012	-	22,405,000	2,307,117	24,712,117
2013	-	750,000	1,829,215	2,579,215
2014	-	380,000	2,113,419	2,493,419

Business-Type Activities						
Sewer Revenue Bonds	Water Revenue Bonds	Notes Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$ 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
180,000	-	-	246,316	3,262,221	0.1%	44.65

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		
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%	-
2014	-	-	-	0.000%	-

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2014

2013/14 Net Assessed Valuation \$17,643,185,952 ⁽¹⁾

	Percentage Applicable ⁽²⁾	Outstanding Debt 06/30/14	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	3.377%	\$648,275,000	\$ 21,892,247
Chabot-Las Positas Community College District	19.407%	432,337,431	83,903,725
Dublin Joint Unified School District	0.007%	238,778,143	16,714
Livermore Valley Joint Unified School District	2.063%	88,030,000	1,816,059
Pleasanton Unified School District	97.355%	49,399,429	48,092,814
Sunol Glen Unified School District	0.001%	765,540	8
East Bay Regional Park District	5.213%	202,210,000	<u>10,541,207</u>
Total Overlapping Tax and Assessment Debt:			<u>\$166,262,774</u>

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.02%

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	8.533%	\$893,799,500	\$ 76,267,911
Alameda County Pension Obligation Bonds	8.533%	87,787,424	7,490,901
Pleasanton Unified School District Certificates of Participation	97.355%	17,510,000	17,046,861
City of Pleasanton Certificates of Participation	100.000%	380,000	380,000
City of Pleasanton Notes and Capital Lease	100.000%	2,455,905	<u>2,455,905</u>
Total Direct and Overlapping General Fund Debt:			<u>103,641,578</u>

Combined Total Debt **\$269,904,352** ⁽³⁾

Total Direct Debt \$ 2,455,905

Total Overlapping Debt 267,448,447

Combined Total Debt **\$269,904,352** ⁽³⁾

Notes:

- (1) Net valuation excludes homeowners exemption in the amount of \$107,605,360.
- (2) 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 district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt 0.94%

Total Direct Debt (\$2,835,905) 0.02%

Combined Total Debt 1.53%

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

City of Pleasanton
Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year Ending June 30			
	2005	2006	2007	2008
Net Assessed Valuation	\$ 13,208,821,529	\$ 14,196,139,713	\$ 15,455,940,826	\$ 16,520,291,133
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%
Adjusted Assessed Valuation	3,302,205,382	3,549,034,928	3,863,985,207	4,130,072,783
Debt Limit Percentage	15%	15%	15%	15%
Legal Debt Limit	<u>495,330,807</u>	<u>532,355,239</u>	<u>579,597,781</u>	<u>619,510,917</u>
Amount of Debt Subject to Limit	505,000	-	-	-
Legal Debt Margin	<u>\$ 494,825,807</u>	<u>\$ 532,355,239</u>	<u>\$ 579,597,781</u>	<u>\$ 619,510,917</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.10%	0.00%	0.00%	0.00%

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

Fiscal Year Ending June 30

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 17,372,924,460	\$ 17,288,705,467	\$ 16,972,068,674	\$ 16,743,623,805	\$ 16,922,583,182	\$ 17,643,185,952
25%	25%	25%	25%	25%	25%
4,343,231,115	4,322,176,367	4,243,017,169	4,185,905,951	4,230,645,796	4,410,796,488
15%	15%	15%	15%	15%	15%
<u>651,484,667</u>	<u>648,326,455</u>	<u>636,452,575</u>	<u>627,885,893</u>	<u>634,596,869</u>	<u>661,619,473</u>
-	-	-	-	-	-
<u>\$ 651,484,667</u>	<u>\$ 648,326,455</u>	<u>\$ 636,452,575</u>	<u>\$ 627,885,893</u>	<u>\$ 634,596,869</u>	<u>\$ 661,619,473</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Sewer Revenue Bonds

Fiscal Year Ended June 30	Sewer Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2014	13,774,609	11,953,520	1,821,089	175,000	9,253	184,253	9.88

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

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Fiscal Years

Principal Employers - Current Year and Ten Years Ago

City Employees by Function - Last Ten Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population As of 1/1 ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
04/05	66,890	\$3,174,419,000	\$47,457	2.9%
05/06	67,215	3,403,264,000	50,633	2.5%
06/07	68,012	3,747,727,000	55,104	2.2%
07/08	68,796	4,007,301,000	58,249	2.3%
08/09	69,579	4,103,578,000	58,977	3.1%
09/10	70,285	3,990,557,000	56,777	5.3%
10/11	70,537	3,297,749,000	46,752	5.8%
11/12	71,176	3,338,739,000	46,908	5.3%
12/13	71,871	3,512,480,000	48,872	4.5%
13/14	73,067	3,610,971,000	49,420	3.2%

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**

Employer	2013/14		Employer	2004/05	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Kaiser Permanente	3,271	6.06%	Safeway Inc.*	2,204	3.76%
Safeway Inc.*	2,600	4.82%	A T & T	1,602	2.73%
Oracle	1,650	3.06%	Oracle	1,500	2.56%
Workday Inc.*	1,456	2.70%	Pleasanton Unified School Di	1,341	2.29%
Pleasanton Unified School Dis	1,290	2.39%	Valley Care Medical Center	1,300	2.22%
Macy's	949	1.76%	Providian Financial	1,100	1.87%
Valley Care Medical Center	942	1.74%	Robert Half International	889	1.52%
Ross*	785	1.45%	E-Loan	755	1.29%
Clorox Service Company	694	1.29%	Macy's	750	1.28%
State Fund Compensation Ins.	650	1.20%	EMC	659	1.12%
EMC Corporation	549	1.02%	Kaiser Permanente	530	0.90%
Thoratec Corporation*	510	0.94%	Ross	525	0.89%
Roche Molecular Systems Inc.	510	0.94%	Clorox Service Company	486	0.83%
City of Pleasanton* ⁽¹⁾	460	0.85%	City of Pleasanton*	440	0.75%
Blackhawk Network	414	0.77%	Nordstrom	405	0.69%

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

Sources: City of Pleasanton Economic Development Department

⁽¹⁾ 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government ⁽¹⁾	44	44	45	45	46	45	41	38	37	37
Public Safety ⁽²⁾	182	185	187	186	186	184	181	175	175	175
Community Development ⁽³⁾	18	20	20	22	59	51	50	48	48	48
Public Works - Admin, Engr, Bldg ⁽³⁾	38	38	38	40	-	-	-	-	-	-
Public Works - Field, Streets, Support ⁽⁴⁾	38	38	37	36	-	-	-	-	-	-
Operations Services ^{(4) (5)}	-	-	-	-	35	36	63	59	58	57
Community Activities ⁽⁵⁾	85	85	85	85	83	79	44	47	47	46
Utilities	35	35	35	35	40	39	36	35	35	38
Total	440	445	447	449	449	434	415	402	400	402

(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 (LPFD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LPFD.

(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			
	2005	2006	2007	2008
Police:				
Arrests	2,401	2,281	2,414	2,563
Parking Citations Issued	1,398	1,285	1,175	1,019
Administrative Citations Issue	99	181	129	150
Fire:				
Number of Responses (Pleasanton only)	4,256	4,547	4,886	5,129
Number of Inspections (Pleasanton only)	1,181	1,465	1,701	1,604
Library:				
Annual Circulation	1,047,607	1,109,541	1,237,543	1,303,995
Gate Count (# of people thru the doors)	465,978	459,138	472,633	498,614
Economic Development:				
Business Licenses Issued	10,529	10,933	9,206	9,368
Parks & Community Services:				
Paratransit Trips (1)	22,898	20,974	19,122	18,656
Golf Rounds Played	-	45,229	73,365	72,092
Aquatics Youth Programs (No. of Participants) ⁽²⁾	17,364	16,002	16,838	17,756
Sports, Camps, Classes and Leagues (No. of Participants) ⁽²⁾	7,039	9,299	11,755	12,782
Amador Theater & Firehouse Arts Center (No. of Patrons)	70,195	66,354	70,900	42,500
Operations Services:				
Streets Resurfacing (miles)	11.0	10.0	10.0	9.0
Utility Bills Generated	128,256	128,838	131,027	131,290
New Water Connections	279	180	113	52
Gallons Delivered (in million gallons/day)	15.1 mgd	16.4 mgd	16.2 mgd	16.0 mgd
New Sewer Connections	258	201	185	65

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					
2009	2010	2011	2012	2013	2014
2,772	2,970	3,283	2,675	2,387	2,239
911	1,133	1,634	1,263	909	1,421
92	108	144	105	62	42
5,007	4,952	4,146	4,342	4,548	4,753
1,269	861	988	1,194	1,032	1,415
1,433,876	1,475,666	1,465,716	1,438,609	1,428,665	1,422,134
530,738	552,779	562,757	561,351	551,297	556,810
8,783	9,067	8,534	9,147	9,275	9,625
22,122	20,393	17,506	15,499	13,486	11,921
68,294	63,591	58,559	58,272	56,104	54,998
21,185	21,982	23,907	25,494	34,334	25,861
12,683	13,400	13,580	22,480	54,579	52,589
50,100	28,380	43,048	51,096	45,291	44,762
9.0	6.0	11.5	12.0	11.8	2.0
131,500	134,651	132,141	126,104	127,955	128,277
21	26	44	51	88	74
15.0 mgd	14.1 mgd	11.4 mgd	13.4 mgd	14.8 mgd	14.2 mgd
24	26	82	49	136	231

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

	Fiscal Year Ending June 30			
	2005	2006	2007	2008
Police:				
Stations	1	1	1	1
Fire:				
Stations (Pleasanton only)	5	5	5	5
Library:				
Branches	1	1	1	1
Parks & Community Services:				
Acres of Parks Maintained	378	378	378	385
Municipal Golf Courses	0	1	1	1
Aquatic Centers	1	1	1	1
Senior Centers	1	1	1	1
Operations Services:				
Streets (miles)	194	198	206	206
Streetlights	5,209	5,311	5,320	5,379
Traffic Signals	86	87	92	93
Water:				
Water mains (miles)	313	314	318	318
Pumping Capacity (gallons/day)	37.0 M	37.0M	37.0M	37.0M
Wastewater:				
Sanitary Sewers (miles)	248	249	253	253
Storm Sewers (miles)	182	183	188	188

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

Fiscal Year Ending June 30

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
385	385	385	385	385	390
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
206	206	206	206	212	217
5,992	6,007	6,007	6,007	6,025	6,200
93	93	93	95	96	101
320	320	321	324	324	327
37.0M	32.0M	30.0M	31.0M	31.0M	31.0M
255	255	255	257	257	257
191	192	192	194	194	194

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